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Oral History Project

The Reminiscences of

JACKSON E. REYNOLDS

The index to the personal papers (on microfilm) of Mr. Jackson E. Reynolds
is appended to these reminiscences.

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ORAL HISTORY RESEARCH OFFICE

DIRECTOR'S ROOM

PREFACE TO THE MICROFICHE EDITION

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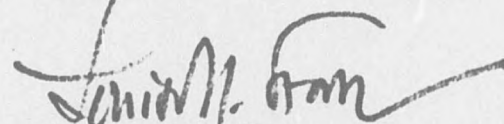
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Oral History transcripts, over the years, vary widely in style and appearance. Most of the earlier ones (1949-1955) were re-typed from start to finish after editing by the interviewer, subject to final approval by the oral author. Increasingly from 1956 on, the first draft--the verbatim transcript--was allowed to stand, with the oral author's corrections (generally limited to matters of substance rather than style) inserted by hand. In a few instances, circumstances prevented the oral author from reading his transcript. The front matter of each memoir usually gives a clear indication on this important point; if not, one must divine it from the internal evidence.

For background information on oral history, the reader is referred to the chapter titled "Oral History: Problems and Prospects" by the undersigned in ADVANCES IN LIBRARIANSHIP, Volume 2, Edited by Melvin J. Voigt (New York: Seminar Press, 1971). For specific information, write to this office, Box 20, Butler Library, Columbia University, New York 10027.


Louis M. Starr
Director

January, 1972

The Reminiscences of

JACKSON E. REYNOLDS

These reminiscences are the result of a series of interviews with Mr. Jackson E. Reynolds by Mr. Dean Albertson during the months of June, July and August 1949.

The interviews were held under the auspices of the Oral History Project, and were subsidized by the Bancroft Fund of Columbia University.

The interviewer's questions have been omitted from the account. The questioning was primarily in the form of topics suggested to Mr. Reynolds concerning which he might have some intimate knowledge. No editorial insertions have been made other than the brief synopsis of the donor's activities which precedes the narrative.

The language of the account is entirely that of the donor. All interviews were transcribed on the Wire-Recorder. The completed manuscript has been corrected by Mr. Reynolds and the validity of the information it contains has been attested to by him.

A short selection of Mr. Reynolds' personal papers will be found on microfilm in the Special Collections Department of Columbia University Library.

Jackson E. Reynolds

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I was born in the county seat, McHenry County, on the border of the Wisconsin line in northern Illinois in a town called Woodstock, Illinois on January 20, 1873. I grew up there to be about one year of age and then I moved to an adjacent village with the classical name of Harvard, Illinois about ten miles from Woodstock. I lived there until I was fifteen.

My folk, in general, were farmers except my grandfather, Jackson Giddings, whose first name I bear, was a wagon-maker.

I went to the elementary schools in Harvard which were pretty poor. They were narrow and didn't afford much education beyond the three Rs.

At the age of fifteen I went to California with my father, mother and an only brother, and lived in Oakland, California and attended the Oakland High School. I took the general sort of subjects; chemistry, physics, mathematics, German, Latin, and such general preparatory work. McChesney was the principal of the High School. I participated but little in sports in High School. I was on the track team, not much good alone, but in 1891, another high school boy named, Lawrence Morris and I established the world's record for a three-legged race for 100 yards in

11 seconds. We were just kids and we beat the two best runners in the Olympic Club because they couldn't run tied together but we could. That record has never been beaten, but it was equalled once by Harry Hillman, the athletic coach of Dartmouth, and another fellow, Lawson Robertson about twenty years afterwards. That record still stands but it isn't much of an event. It showed my interest in cooperation.

At Stanford University I majored in history, under George E. Howard. He was a great teacher, a great man. I remember Melville Best Anderson in English who was a gruff, bearish old fellow with a heart of gold, and a first-rate teacher. He afterwards made a monumental translation of Dante. Griffin in German was an excellent teacher, a quiet old fellow. The famous Edward Ellsworth Ross in Economics endeavored to give me a radical slant unsuccessfully. Even though I was a great friend of his, I didn't have much respect for him. Thorstein Veblen was there much later. There was a very good man there, too, named Warner under whom I studied, a real economist, a much abler man than Ross.

The greatest influence upon me was contributed by Dr. David Starr Jordan, who was president at that time and

one of the five greatest men I have ever known. He was big in frame and body, big in spirit, and big in perspective and outlook on the world. He was a most versatile scholar, specializing in sciences but also writing, poetry and was perfectly capable of sympathetic and friendly interchange with a half-witted student like me. A grand, great man. It was he who planted the seed of my studying law at Columbia, and taking me back as a member of the faculty three years later when I finished my law course at the Columbia Law School.

Another man I curiously encountered by juxtaposition was Benjamin Harrison, who had been President of the United States and a fellow member of the United States Senate with Leland Stanford, whom Stanford brought out to the University when Harrison failed to win his second term in 1892. There was a guest room in the dormitory and it happened to be next to mine. Mr. Harrison was generally regarded as an unsocial, retiring sort of a man, but I didn't find him so at all. He was one of the most modest men; he was one of the best lawyers in the Midwest, practising in Indianapolis, and yet he would go out for a walk with me a boy, sit down on a fence somewhere and whittle and talk for half an hour. He was the first man who made me perceive that a really very competent man was a sensible, commonplace, quiet, modest soul. It was a great example

to me. He and Dr. Jordan, both demonstrated how a man can be great without being aloof, or stuffy. The greater he was, the simpler he was. It made a great impression on me that association with a man who had been President of the United States. He talked about law more than anything else because even then I was heading toward studying law, and hoping to be a lawyer. He talked about cases he had had, the way lawyers do; emphasized the importance of study and mastering the subject, rather than court histrionics or a glib tongue. He gave it all a proper prospective for an earnest apprentice in the profession.

I had the room next to him in the dormitory; there was no connecting bath - there was only one bath on the floor. I'd meet him in the hall or I'd see him going into his room or he would see me going into my room and naturally we got to speaking and then he would say, "My boy, don't you want to take a walk?" Of course I did. He was in good physical shape at that time. He never spoke about his years as President. He spoke some about his association with Senator Stanford and Mrs. Stanford. There was a song in the days when he was in the White House that ended with "the pride of the White House is baby McKee", who was his grandson. Many years afterwards I became acquainted with Baby McKee and he gave

me a Russian icon which Senator Stanford had given the then Senator Harrison, and Harrison had given it to his grandson. The grandson gave it to me years later because of the association I had with Stanford and Stanford had with Harrison. It is in the Metropolitan Museum now; I gave it to them.

Harrison didn't have any bitterness at all. He was a man who had supreme confidence in himself in a very quiet way. He had self-assurance, self-respect. It didn't bother him if people differed from him and that more differed from him than agreed with him because that convinced him that he was surely right because he was among the minority.

I didn't get into debates with him on legal points or other subjects because I didn't know enough to do so. I was a backward boy in many ways. I had poor schooling up to the time I went to the Oakland High School and when I went there I was never in any one class - I was in all four. Each subject was just as hard for me as another. I went through Oakland High School in about two years and a half but I was not confident of myself. I liked to hear other people talk but I didn't care much about talking myself in those days; I've made up for it in the last seven or eight years but in those years I was reticent, shy and backward, I'd say. My role with Harrison was

just a listener; he wasn't trying to impress the boy, he was just talking about various things, his relations with Senator Stanford, and so on. The great thing I got from it all was, that there was a great man and he was a much greater man than people now think he was because very able, very thorough, the best lawyer in the mid-continent by a long shot, had been President, but he had no side nor swank about him at all, he was just as simple as a blacksmith about it. That made a great impression on me, had a great influence on me all my life, to avoid the spectacular display which so many make when they get pretty well up the greased pole.

I met Herbert Hoover as soon as I arrived in college. In those days we all lived in the dormitory, there were no fraternities, the college had just started. It had never been used before. So we were all well acquainted and both Hoover and I, unfortunately, had to earn our way through college. We saw a good deal of each other being of the proletariat and not having a father who owned a bank, so we became pretty well acquainted. He ran a laundry agency, the Red Star Laundry Agency - not Stalin's red star but his own. I worked in the college library as a desk attendant for four hours and twenty minutes a day for \$23.00 a month. In addition I was the somnolent watchman in the Museum at night. My earnings from two jobs I sup-

plemented by working summers on a ranch. This last was one thing in which I excelled, I had the word of a very bad boss, that I could pitch more hay in a day than any two men in Sutter County, California. I worked on the ranch in summer to earn enough for clothes and books for the school year.

I knew Hoover very well and kept in touch with him through the later years. Hoover was always a rather complicated makeup. He was, like me, backward - he hadn't had a very good preparation for college. He was a hard student because of that, as I was too, because so much of my time was taken out of my day in earning my way. Hoover was shyer than I was. We'd walk along the Stanford Quadrangle arcades from the Geology Department toward Encina Hall and he'd always have his eyes down on the pavement; he never would look up. If you wanted to say anything to him you always had to speak first because he wasn't looking for association or conversation, he was rather by himself.

He did have a group of very close, loyal friends who happened to live in his wing of Encina Hall - like Ray Wilbur, John Culver and Will Irwin. He never joined a fraternity; in my later years I did, and then I didn't see him so much. We always were well acquainted and good friends, and afterwards when he lived in London I visited him over there in London and Stratford on Avon where he

had a country house. When he came to New York he and Lou, his wife, and the boys would come and stay with us. In the First World War when they were crossing the ocean from time to time, they drew their wills and left the two boys to me as wards and left me executor of the will but after the boys grew up, later on he revoked that will.

I used to see Hoover in Washington. He asked me to join him there as his assistant when he was Food Administrator but I was doing other work, and when we discussed it we both thought the work I was doing was more important so I didn't take up his offer. Then when he was President during his stay at the White House, I was down there to visit him on a number of occasions.

Hoover was that kind of a boy who outside his own group in his wing of Encina and his geology work, was not well known. Teachers didn't know him well. His geology teachers Branner, and J. P. Smith and Jack Newsome - those men - knew him very well and had the greatest admiration for his capacity, but he was not well known to students or to the faculty in general. This was entirely due to his own aloofness, reticence, shyness, because he had all the fine qualities that anybody would admire. He didn't open up and display them except to a rather limited group around him. Hoover acquired quite a phobia about fra-

ternities, and held himself aloof from them as being snobbish groups. I went into a fraternity and I've always felt that student life was a great deal better before there ever were any fraternities at Stanford but that it was a very natural association, just as his group was. They didn't know that "Abracadabra" means "I love you" and shaking the little finger over the wrist meant that you belonged, but they had their group and it was just as hide-bound as a fraternity. I have never favored the fraternity idea - I think colleges would be much better off if they didn't have them. But it's just like life, you can join a club, churches, lodges, charity societies, and so on and likewise join a fraternity. Well with me, it didn't make any difference whether a man was a fraternity man or not. By reason of my work in the library and playing football, I knew all the "digs" in the library and all the loafers on the football team - I knew everybody in fraternity and non-fraternity and I didn't see any difference in human beings in one group and another; but Bert did and it rankled somehow with him. He later on didn't permit either of his sons to join fraternities when they had opportunities after they went to college, which is just a little straw in the wind showing how deeply he felt in those days when he was a boy. I don't think he was bid for a fraternity but I have no way

of knowing - he and I have never talked fraternities. I doubt if he was, because you cannot overemphasize the fact that Hoover went with his own little coterie and was not widely known. He and I were very well acquainted and I always liked him. We used to eat together at the common table there at Encina Hall when we were both in the hall - I was with him for two years - then afterwards I went and lived in my fraternity house until I found it too long a walk and I didn't have a bicycle. Then I slept in a room in the Museum and ate in a "camp" as they called it.

In his senior year Hoover became practically the manager of the football team although his real title was student-body treasurer. He did all the managing of the football team and even then he showed the most extraordinary aptitude for administration and executive ability in the way he dealt with that job. Nothing loose and sloppy as there so often is in the administration of college athletics where you have a big gate at football games and haven't any idea of saving. He did have, he was always very methodical and meticulous about all the accounting and the expenditures and getting his money's worth. He was able and excellent.

I would say Hoover never got in controversies with anyone and never made any outstanding achievements in his undergraduate days. The best account of those days that

I know of is Will Irwin's story of Hoover as a student, and Will belonged to his little mess and was very loyal and affectionate. It was because he wasn't that kind of a feller; he wasn't the kind of a feller around whom stories stick; he was a good deal of a lone hunter and by himself and his little group; very much an individualist.

Hoover was much interested in college politics and successfully so. His work largely consisted in rounding up all the men who weren't in fraternities and all the girls who weren't in sororities and getting them to vote down anybody who ran for office if he were a fraternity man. Because the fraternity group was smaller, his crowd generally won.

The only girl that I ever remember of his having anything to do with was Lou Henry who was a student in the Geology Department, too. From about his Junior year, I should say not before that, we used to see them together. In his senior year they were pretty well identified with one another. I had no way of knowing whether they were engaged, but I suppose they were.

Lou Henry was a grand person. She was a perfect mate for him. I'll never forget during the First World War, when he had finished up his magnificent job in London for Belgian Relief and came over here and there was a despicable row that was prompted by a man whose

name was Bates and who had been associated with Hoover in engineering in China. Bates was jealous of Hoover and he started some despicable talk about him. Mr. John D. Rockefeller, Senior, was minded to give some money to that relief enterprise. Rockefeller knew Robert de Forest very well, and Robert de Forest and I were law associates and Hoover and his wife were staying with us on East 10th Street. Robert de Forest came in one evening to meet the Hoovers because Rockefeller had asked him about Hoover's reliability, in view of these slanderous attacks of Bates. Mr. de Forest met them both and the next day in the office he said to me,

"Jack, you know the great one of that team is Mrs. Hoover. She is one of the most brilliant women I ever met. She doesn't tell all her impressions, either. I hate to think what she apparently thinks of me, if I am any judge."

She had a very penetrating mind, was skeptical, even cynical but a very sweet woman withal. She and my wife were great friends - and she and I were also. She was a very good influence on him, I think except in one matter, and that was the idea of forcing people not to drink if they wanted to, which resulted in their adherence to the Constitutional amendment that you may have forgotten. I think very largely she was responsible for his point of

view. She wasn't bitter on the subject but just thought, more on physiological grounds than anything else - I never knew that she was particularly religious, she was a God-fearing woman but she wasn't a religious fanatic or anything of that sort and neither was he. He wasn't a Quaker except by blood stream, he didn't have any of the great love of their tenets, neither of them was religious, but I think she had a very strong feeling against drinking and I think she influenced him. You may remember when he had that Commission appointed - the Wickersham Committee - a close friend of mine, who had been my roommate, Judge Kenneth MacIntosh, Chief Justice of the Supreme Court of Washington State, was on it. Through all that business the Hoovers exercised most insidious pressure to sustain the amendment. The Commission finally submitted a report in which they did just the opposite. Then President Hoover submitted the Report with his own summary in which he attributed conclusions to that report which were not in it. All this was in good faith and enthusiasm for the cause - suppresio instead of expressio - I speak of that, not critically at all, but explanatorily of Lou Henry's influence. That was all due to her I'm sure. I remember in 1913, I dined with Hoover alone at his London residence, called The Red House, while his family were up at Stratford, and we had cocktails and a fine bottle of Burgundy. He had

the ordinary attitude that I would have about drinking - take it as you would coffee or tea or milk or lemonade - and not let it get the better of you or worry about its being pleasant to imbibe. In London I was alone with Hoover and then over Bank Holiday my wife and I went up to Stratford and spent a week with the two. When we got up there we didn't have anything to drink. I don't know that Hoover's smoking ever irritated Mrs. Hoover but I should have thought it might have irritated her throat.

Hoover is one of the big men of the Country. I think Mrs. Hoover did a great deal to mold him in social relationships, and by that I mean a comprehensive definition of that word from bottom to top. She broadened him in his relations with casual acquaintances and friends, and in the same way when they moved from a smaller house in Palo Alto to the White House, she continued to do that and was most effective in mellowing him in that regard, changed him a good deal, but in a very quiet womanly, feminine way, no termagant or harpy about it, but "Now Berty, don't you think this would be better," that sort of thing. She was a fine mate for him, wonderful. Nobody would say that more than he would.

I never heard anybody but his wife call Hoover "Berty". He had the old Varsity Football Team of 1894 down to the White House and gave us a dinner. Everybody

there would get him in a corner and say "Bert" instead of "Mr. President" but nobody could slap Hoover on the back.

I'll never forget, there was a fellow named Joel Yancey Field from Texas who was a guard on the football team and when he thought the evening was over, he said:

"Well, Bert, I've got to go home and go to bed."

A tip-staff of the White House came along and punched him in the ribs and said, "Now, sit still, the President breaks up these meetings." Nobody had any feeling of standoffishness with him.

That same night, he had seated us at the table and I sat next to him; and an old captain in my years, Guy Cochran, sat on the other side of him. There was no difference in our relationship then and the years before when we were at college. He never exhibited any of that feeling of putting you in your place when he was President; he was a great deal more aloof as a sophomore at Stanford than he was as President. That wasn't because he felt himself bigger than the others, it was because he wasn't quite sure of where he stood in those earlier years.

One night he and I dined together here at my house and he said, "Did you see an account in the Reader's Digest about how I coached the football team?" I said, "No, who was that romancer?" He said, "You had better get it and read it." So I did, and it was quite an attempt to be

home-folksy, describing what a good coach he was. It didn't pretend that he ever played football, for he never did. He had never coached any football, but this was just one of those romances. He laughed at it because he knew I knew he never was a coach.

He never was a sportsman, but he does fish. His whole interest was in doing the efficient job that he did in keeping all the finances of the athletic teams straight and not get them overquipped, etc.

Another little note of his simplicity. One night he was over here and he admired the antique table in the next room, and he said, "I like to walk up and down 3rd Avenue early in the morning occasionally, look in the windows at such things, but I had to quit because I find there are Secret Service men following me around. I don't want Secret Service men following me around and if they are going to do that, then I just won't go out." This was after he was President when he was walking up and down 3rd Avenue to get a little air. He's a grand, simple, amazingly able man.

In 1913 when we visited him in Stratford Hoover was running a zinc mine in South Africa; a gold mine in Australia; and was working for a group of the Russian Grand Dukes and the Czar in the development of a great steel industry and a

railway over towards the Urals. He had an office at 123 London Wall, London - not as big as this apartment - and he didn't have over half a dozen men in his office. They were nothing but messenger boys at that because he ran the whole show and yet he was spread all over the world in various undertakings. Nobody in this country then knew anything about him. I remember later when he was running Belgian Relief, I was talking about his ability to a friend of mine and his comment was:

"Well, there's no man could be running so many things successfully." I said he was, and in addition he was reorganizing an insolvent brewery up in the northern part of England. And at the same time he and Lou were translating that Agricola de re Metallica.

I played football on the Varsity team at Stanford University for three years. We had a coach, named Walter Camp, who was the greatest coach of that day and a distinguished gentleman in addition; and his wife a charming woman. The play was much harder than it is now, on the individual player, because no substitutions were permitted except for a disabling injury. It was partly the idea that eleven men played eleven men. Instead of four quarters of 15 minutes each under present rules we played two three-quarter hour halves. I was running right half-back. That

was a pretty hard assignment for endurance.

I remember one day I was puffing and blowing and relaxing my efforts and Camp yelled at me something I have never forgotten; and it has been a great help to me through life. He said, "Get in there, don't you realize they're winded more than you are?" Whenever I got in a hole, in later years, I'd always think of that and go on and say to myself, "Well, I guess maybe they'll give up before I do." It was a great piece of wisdom.

In my senior year, because of that rule about no substitutions, I played an entire game with my right collar bone broken. I didn't tell anybody about it. I have the knob yet. Walter Camp referred to that incident afterwards in one of his newspaper column articles - "Of the damn fool who didn't know ~~enough~~ to quit when he was injured." I had never been hurt before and I didn't have a good substitute, so I thought I'd have to play, and did.

Those were the days of what was known as the "flying wedge". That was a hellish play where everybody on the opposing team got in full motion before the ball was snapped. The team went back five yards and the quarterback stayed behind the center on the line of scrimmage. Then they formed a V and started at full speed in close formation and aimed at any point they wanted to run over - and it was pretty difficult to stop them. That was a bone-breaker

of a play.

During the time I played your team,* the University of California never beat us.

In my senior year Alonzo Stagg had a great team in Chicago and it was in the days when there was no four-year rule - or three-year rule - and he had all sorts of players that had played anywhere from eight to fifteen years. They had licked every team in the middle West and one or two teams in the East, like Cornell and so on. So they came out and we played in Los Angeles on New Years Day - something less than sixty years ago. The betting was 10 to 1 against us. They had a full-back named Hirshberger, who was a great drop-kicker. He went out in practice and dropped goals from about 40 yards from all angles. We had no coach, Camp had gone East after the Thanksgiving game - and they had, of course, Stagg. The Captain called us all in a huddle and said, "Don't let that initialed gentleman get any closer to the goal line than 40 yards." That was our entire plan. We had a magnificent line, and he never did get close enough to drop a goal. We made one touchdown and converted it in each half - in those days it was 4 and 2. So we beat them 12 to 0, and the betting indications were 10 to 1 against us. This was not a regular game between Stanford and Chicago, it was a challenge game. They had wiped up everybody in the mid-continent and were looking

* Interviewer attended the University of California.

for new worlds to conquer, so they sent out word and wanted to know if we would play. We said, "Sure." We expected they would wipe the ground with us but we wanted to try and we did.

The padding then wasn't anything like it is now and I never wore a helmet or shin guards. We had cleats on our shoes. My head was not protected. I never saw so much blood as the day I was kicked by a guard when I was knocked to the ground. As I was thrusting forward and coming down, a very good friend of mine, Burt Oliver, kicked me in the head accidentally. When I got up the blood was streaming down over my face, I couldn't see through it. It was a much rougher game than it is now. The ball was larger and heavier, more spheroid than the present ball. You could make a short pass better and you could hold the ball better because it fitted under your arm better but it was harder to catch because it had more of a rebound. It was easier to kick but harder to propel a long distance with a kick than the present ball is. We didn't use laterals much. We had a lateral that was a trick. We played it the fourth play on a series. The first play of the series we jumped into the scrimmage line and gave one signal and played four plays on it in sequence. In the third play of the series the end dropped back and pretended to be fixing his shoe - it was called the shoelace play. I passed the ball to him -

he was a very fast man

After we played Chicago we played another game with the Los Angeles Athletic Club Team. We had a great center and we had a great line. That center had never made a touchdown. We got into this game against the Los Angeles Athletic Club and after just one or two plays, I could see that we could do anything with them, so I said to the Captain, "Play our four series play." I always received the ball on the fourth play. We were way down in our field on the kickoff from them. In three plays we were well down into their territory. I received the ball and I could perfectly well have made a touchdown but about 5 yards from the goal line I pretended to trip and fall. Our players came up and I said to the Captain, "Let me play center and give Bill (the Center) the ball and let's all push him over for the touchdown.". This was the first down, so we did that. During that game he made seven touchdowns. Whenever we neared the goal I'd play center and he'd play right halfback. He weighed about 220 pounds and was about 6 feet 6 and didn't have an ounce of fat on him. He just stood up and we'd all push him over the goal line and he made seven touchdowns.

I met Ray Lyman Wilbur at Stanford as a fellow member of the class of 1896. He became Secretary of the

Interior and President of the University and later Chancellor. He was an able, amiable fellow. He took physiology courses, and pre-medical and he became a doctor. He never was pre-eminent as a doctor, but just run-of-the-mill. He was made Dean of the Medical School and then went on to become president of the University. He has just died. He was a typical man of that kind of career - nothing brilliant but able, hard-working and lived well with other people.

I always think of Will and Wallace Irwin together. They were good men at college, a little on the wild side and liking a good time. Will was finally "busted out" in his senior year and didn't get his degree, but he was a talented, capable writer and a grand fellow.

Wallace Irwin, his younger brother, who came into view first as the author of The Love Sonnets of a Hoodlum and later, an imitation of 'Omar Khayyam - long, interesting, slang-dotted doggerel. He was more brilliant than Will, more talent and also a fine fellow. We lived together in the same house back here in New York in later years when he came East. Will lived in Abingdon Square, downtown, near where we were on East 10th Street and I knew both of them intimately.

One fellow who went to Stanford in those early days, and never graduated, became more of a figure and more

interesting to more people than any of those men, was Holbrook Blynn, the actor. In the 1890's he was an excellent actor, rather romantic parts, not heavy parts.

A fellow named Walter Ngon Fong in my class became president of one of the leading Universities in China after he went home.

It's hard to call them all up from the dusky deep of long ago. It's rather interesting, that football team managed by Hoover - there wasn't a man on that team who ever played football before he came to college except Cochran who was left tackle, who had played at Lawrenceville. Everybody else on the team learned his football there at Stanford, the first year, without any coach and afterwards with Walter Camp.

The subsequent history of that Varsity Team in 1894 interests me in showing how little they cared for football except as exercise and amusement. They had no proselyting for players or anything of that sort, and they just played as well as they could and let it go at that. They afterwards turned out to be pretty good men. The center I spoke about a little while ago, became Professor at the University of Washington. The right guard was the District Attorney of San Francisco at the time of the trial of Tom Mooney. The left guard became Vice-President and Chief Engineer of the Public Service Corporation of New Jersey.

The right tackle became Vice-President of the Pacific Gas and Electric Company. The left tackle became one of the best surgeons in California, Cochran. The right end was the best obstetrician in California, Al Spaulding. The left end became a teacher, professor. The quarter-back was the engineer in charge of the construction of the Golden Gate Bridge. The left half-back was one of the best internal medicine, general practitioners on the Pacific Coast. The full-back was counsel to the commercial attache of our Embassy in London when he died. I was the right half-back. So far as I know, every man of that team is dead except myself.

Two facts were interesting to me. Only one of them, Cochran, played football before he came to college. Nobody was recruited for football and they didn't give a hoot about football - I hated practice. They always talked about taking me out before the game, but when I played in a match I was always interested and I'd play about ten times as well as I knew how. This practice business was a terrible bore to me, I didn't think much of that. The members of that team weren't interested in football except as a muscle builder or something like that - they didn't want to be beaten by Berkeley and they weren't while I was there.

I'll tell you two little, humorous episodes. I went in to see if I could get a job in the library and a great

friend of later years, as a result of it, was a fellow who was librarian, Edwin Woodruff. He was sitting at a table and I asked him for a job and he opened a draw and pulled out a sheet of paper that covered the table about a yard square. He said, "I'll have to tell you, I must be fair in considering candidates, and go down from the top of the list."

There were at least a hundred names on the page and I realized I had no chance on that program, and so I said to him, "Well, it all depends on the point of view."

He said, "What do you mean?"

I said, "From where I'm standing, my name is at the top of the list."

He looked up at me with a queer look, and said,

"When do you want to begin to work?"

I said, "Now."

He said, "All right, hang your hat on that peg."

I went to work and worked for him all the rest of my undergraduate days. Later he was Professor of Law at Cornell and when Dean Hoffcutt died, supposedly by suicide when he was counsel to Governor Hughes, Cornell offered me a job in the Law School and Woodruff wanted me to take it, but I declined.

The other episode was with Dr. Jordan, whom I knew well as a student. We happened to be going on the same

train from Palo Alto to San Francisco, and he said, "What are you going to do, Jack?"

I said, "I have a job in a law office up in San Francisco, I'm going up there and study law."

He said, "That's no way to study law, leaving a lot of trap doors under you. Can't you break a safe somewhere and steal some money and go back to Columbia and get a systematic training for your life's work?" He knew I was poor and was working my way through, and I said,

"That's a change in ideas for me but I know what you mean."

He said, "If you'll do that I'll give you a better job than you have in prospect now."

In those days they had what we called "Scalper's Tickets". I went into a place and I bought a ticket for \$10.00 and started east on it and then I found it expired about the time I reached Reno and the conductor wasn't going to let me go any further. I commenced then to practice law on the argument that so long as I started on that journey the ticket was good, it hadn't expired. If they started to carry me to New York where the ticket terminated, they would have to complete the entire trip; I wasn't to blame if the trains were slow and connections bad, and so on, and I argued the point every time I was challenged by a new conductor. I finally reached New York

on the ticket. It was a perfectly legitimate argument. They threatened to put me off and I said if they did that they would lose much more than ten dollars as I would sue them for damages. Whether I could have collected is a moot case, as the courts would call it.

When I arrived at Columbia I had a talk with Dean Keener and he awarded me a scholarship as soon as he could, so I succeeded in getting through there. In my senior year I received a letter from Dr. Jordan appointing me an instructor in the Law School at Stanford. I had been at Columbia three years.

At Columbia, Keener was the greatest professor. He was one of the outstanding socratic minds I ever encountered. He taught by humiliating the student and making him feel that he wanted to pull Keener's red whiskers on the next encounter. In consequence the student went in loaded for bear to combat the teacher and in that way learned more than he could any other way. Keener was a wonderful teacher, and a very original mind.

Another teacher who was a great friend of mine, and a better than average teacher, was George Canfield. Later he was a partner of Harlan F. Stone and Herbert Satterlee. Canfield and I had a great friendship all through our lives after that.

Another on the Faculty was named Burdick. He was a bookish sort of a man; thorough student of law; not an effective teacher except for the best students - an excellent teacher for them. Another teacher was George Kirchwey, afterwards Dean of Columbia Law School and still later Warden at Sing Sing Prison. He was a literary type, the father of Frieda Kirchwey (the hell-raiser on the New York Post and The Nation). He was a charming gentleman but not a great teacher. He was full of interesting quips and repartee. On one occasion when talking with Nicholas Murray Butler after he became Warden at Sing Sing, he said, "You know, Murray, I have one great advantage over you."

Butler said, "What's that?"

The reply, "My graduates never interfere and try to give me advice in how to run my school."

I knew Butler well. He appointed me a teacher in 1903 at Columbia Law School after I returned from Stanford. I knew him in later years after I became a member of the Board of Trustees. I can't tell you anything you don't know about Butler.

We're skipping a little -- the Law School days.

When I entered the Law School my seat in the lecture room was just about under the spot where I am sitting this moment (300 Park Avenue). Columbia Law School was on this corner.

My boarding house was 50 West 51st Street, over where the stage entrance to the Music Hall of Radio City now is. I was in the Law School for three years and there were some interesting men among my associates, of whom one of the closest was Harlan Stone. We lived in the same boarding house, later when Columbia moved up to Morningside. Dwight Morrow was my closest friend in my class. If anybody asks Mrs. Morrow now if she knows me, she always says, "Why, yes, we spent our honeymoon together." Dwight and his wife, and my wife and I were married within a few days of each other, and for the next three months lived together down on the Jersey coast in a cottage in a little place called Como.

Other men I knew well were Finch, who afterwards went on Court of Appeals Bench here; John Woolsey who was an able Federal Judge in this District until he died; Wesley Perry who was Chief Justice of the Supreme Court in Kentucky later; Kenneth MacIntosh who was Chief Justice on the Supreme Court of the State of Washington; George Vandever who was counsel for the IWW in the Coeur d'Alene massacre litigation, a criminal case; Joseph Proskauer who was a Judge in the Supreme Court here; Alva Adams who was United States Senator from Colorado, and a lot of other men of the same stature.

It was an interesting three years. One of the most interesting features was the Moot Court work in which we had the choicest men in the class - eight from each of the three classes - simulate trial work, and another was Phi Delta Phi, a scholarship fraternity. When it came around to graduation, I went out with a friend, Johnston de Forest, whose father owned a place on Long Island Sound, with Dwight Morrow and two other men of our class. The house guest there at the same time was Rudyard Kipling. It was one of the pleasantest two weeks I ever spent in my life. Kipling would go out sailing and fishing with us during the day. He was not very well, his infant son had just died. In the evening he'd sit around with us boys. He'd shun the old folks, they were a little stale and unprofitable, and talk to us in the manner of his talks with Mulvaney and Leroyd of his stories. Sometimes he read aloud to us stories from his books. I'll never forget one night he read us "Brugglesmith". Nobody could read that yarn as he read it, with pauses and the build up. The house of our host was that of Robert W. de Forest, and it was there I became acquainted with him. Subsequently I was associated with him for seventeen years in the practice of law. The later long association all started with that house visit.

Mr. de Forest was like most of us - mixed pickles.

He was a man of great cultivation, a keen sense of beauty, excellent taste for art, was President of the Metropolitan Museum of Art. He had many good pictures himself, and was a man of rare instincts and susceptibilities. He had an aristocratic background and was a little distant with commonplace people and affairs. This made it a little hard for him to understand people who had to struggle and work and fight their way up - he'd never had to do it. Yet, in spite of that, he had the spirit of noblesse oblige and a real sense of philanthropy that led him into positions of great influence in charities. He headed the Charity Organization Society, he was first Tenement House Commissioner of the City under the Seth Low Administration. He drafted the Tenement House Law and administered it with his assistant, Lawrence Veiller, very well indeed. He ran the School of Philanthropy and was interested in the State Charities Aid. And yet as to a sympathetic understanding of difficulties of a fellow like myself - starting out without anything - he just didn't understand that sort of thing at all, he had never had any contact with it. Nobody could have been a pleasanter associate than he was, while he was my senior to the extent of being my father's age, he was always most friendly and even affectionate in his relations with me. I often went out to his country place with him and he was a delightful host

and yet there was always a sense of difference between us - nothing that affected our friendship - but it couldn't escape my observation, he had no idea of the difficulties of struggling up and fighting one's own way in New York without relatives or friends or family estates to back one up when beginning the practice of law. In spite of this he was one of the great friends of my life. The association was always delightful and we worked together for seventeen years in the same office, and after I went into banking, our friendship continued just the same way.

Johnston de Forest's mother was the daughter of John Taylor Johnston and her son was much more a Johnston than a de Forest. Our friendship covered the years to the present but he was by nature an aloof sort of man. In the Law School, for instance, I think there were very few people who called him by his first name. He never called anyone else by his first name. He was an aristocrat on both sides - the Johnstons and the de Forests. He wasn't a mixer. He was a fine character, noble - not shy. He had in his group enough people who furnished him with amusement and entertainment and exchange of ideas, he didn't see any necessity of slapping everybody on the back and adding to his group. On the other hand, nobody could have been finer than he was to us, in the small group who knew him well, Roberts Walker, John Kerr,

Dwight Morrow and I. Johnston is still living. He has been active for years in the COS but entirely out of the limelight. By this I'm just delineating his portrait without the slightest criticism for I love him.

I didn't know Lawrence Veiller much. The only thing I can remember about him is his whiskers. I haven't seen him for many years. I went up in an elevator with him one day and he didn't know me at all. I told him who I was, and then he was most amiable. I just state that to let you know I didn't see much of him.

Mr. Robert de Forest and I had an office downtown, in the financial district. The Tenement House Office was up on 4th Avenue and 21st Street, and Veiller was up there and did all the coarse handwriting for de Forest in that office and was an invaluable assistant to him. I did all his coarse handwriting down in the law office. Veiller and I never saw each other much except as he happened to come down to see Mr. de Forest in the law office, he'd see me as he passed by the room and say "Hello". The same thing in reverse when I went up to the Tenement House Office to see de Forest.

I met Harlan Stone as a member of the Hamilton Club, debating and Moot Court work at Columbia and we became friends. Later we both practised downtown and at one stage we ran in diverse courses on a crooked mining

stock deal of some scallawags and had quite a close association in that case. We were both against the same people but were acting for separate clients. We lived together, as I say, up on West End Avenue and then I went up to Columbia Law School for three years, teaching while Kirchwey was Dean. Later I quit and went into practice and practised about five years. One day Stone came in to see me and said, "Butler wants to make me Dean of the Law School. I haven't given him any answer and I'm going to say yes if you'll go up with me, and I'm going to say no if you don't."

"Oh," I said, that's nonsense. "I'm not going up with you and you're going to say yes."

He said, "No, I'm not."

I said, "No use in palavering this way." He left and did turn the offer down.

A year later he came in to see me. In the meantime they'd had an "acting Dean" who didn't pan out well and Stone said, "I have the offer of the Deanship again and I'm going to accept it if you will go up with me, and I'm going to turn it down if you don't."

I said, "I thought you were a liar the first time you gave me that line but I'm convinced you mean it, so I'll go with you." And I did. I don't know why he wanted

me to go with him. We'd been friends for years and been associated at the Bar. I had no intention of teaching again, I was interested in practice. I went up only on part-time and continued my practice just the same as before. I continued there for six years with him and by that time it was 1917 and I quit the practice of law and I quit teaching at Columbia and went into the banking business.

Afterwards when Stone was Attorney General I saw a good deal of him and worked with him to get Calvin Coolidge to pardon a man who had been a student of mine when I was teaching, and who was blind and who had been convicted of crime in connection with the Alien Property Custodian Act, almost entirely because he had an able lawyer who had no experience in criminal trial work and did not protect his client adequately. I was convinced that the fellow was innocent because his firm had German clients and they were making many other reports to the Alien Property Custodian about their clients and made them honestly. This particular case was the sale of The Globe newspaper to the then German undercover man whom nobody knew. The purchaser ostensibly was a German in St. Louis who was a man of repute, not German born but German descent. No one knew that he was covering up for a German Government investment to get a newspaper hold - Bernsdorff of the German Embassy. I had

quite a little contact with the Attorney General Stone at that time and the President of the Bar Association here handled the applicant's case for reinstatement at the New York Bar, because a man who has committed felony can never practice law afterwards in this State. Coolidge pardoned the young man and my friend, William D. Guthrie, handled his case successfully. This decision set a precedent in this State overturning the result of a trial in Federal Court in a collateral proceeding for reinstatement in the Bar on the ground that the defendant was unjustly convicted.

After Stone went on the United States Supreme Court Bench I saw a great deal of him. When he came to New York he would have lunch with me. I saw him often in Washington. We were very close, intimate friends so long as he lived.

I told that story about his acceptance of the Deanship to show the close feeling he had for me, and it was no closer than I had for him.

There isn't any good biography of Stone. He wasn't the kind of fellow that lent himself to biographical furbelows, he was a stolid, matter of fact, industrious, hard-working man.

Charles S. Whitman, who was Governor of New York some years ago, used to tell a story about Stone which interested me. Whitman was teaching over in Brooklyn

in a certain school and he became so overburdened that he decided to give it up. The School authorities asked him for his suggestion as to his successor. Some discussion ensued and finally the man talking to Whitman suggested Stone. Whitman knew Stone very well as a younger man, even before this date when they were both at the Bar and Charley said, "I told them that I didn't think Stone would do, he wasn't good enough." Then he always laughed and would add: "Shows how poor my judgment is; he turned out to be so much better than I was." Whitman himself was a wonderful companion and first rate man.

The most satisfactory product of my law teaching at Stanford was association with some good men in the Law Faculty. The Dean was a man named Nathan Abbott, a Yale man, an experienced teacher and one of my dearest friends over the years. He was a great authority on Real Property Law and one of the most modest men about his erudition, but very boastful of his ability to raise tomatoes or select cheese for a knapsack trip, or mix tobacco for a good pipe smoke.

Another man was James Parker Hall who became Dean at the Chicago University Law School, and one of our leading authorities on Constitutional Law.

Then there were other men nearer my age who were

just ordinary run-of-the-mill teachers like myself.

The student body was small because the Law School was just starting and we had small classes at the beginning - some good men, some that afterward became law teachers and some good practitioners of the law.

Dr. David Starr Jordan brought me back to Stanford. He said he just fulfilled his pledge to me, but he evidently wanted me to come back and get into the Faculty. He thought I would do, and gave me a try when they set up the new Law School. He probably had the new Law School in mind when he made that jocose remark three years before on the train going to San Francisco. I don't know what was in his mind except that he was a very good friend of mine and evidently thought I was studious, industrious and ambitious - and gave me a chance.

After teaching two years at Stanford University I came back to New York at the invitation of Robert de Forest and went in with him in law practice. He was General Counsel and Vice President of the Central Railroad of New Jersey. Two or three years after I started he became very much interested in outside work - the Tenement House Commission-ership - and turned over a great deal of the work of the law office - the Railroad business particularly - to me and I became General Attorney of the Central Railroad of New Jersey and acted as such for about fifteen years.

Then in 1903 Kirchwey, who was then Dean, asked me to come up to Columbia and teach the law of Public Utilities, because I had had the practical experience in railroad work, and also a course in Agency and Master and Servant. I accepted and served for four years. Then I became increasingly busy downtown and felt that the double burden was too much, and resigned about 1907 and gave up work at Columbia. About 1911 Stone asked me to go up there with him, first, and said that he had the offer of the Deanship and said he would accept it if I would go with him but I thought he was fooling and didn't go, and then we went through the same hocus-pocus about a year later - 1912 - and I did go up there and remained four or five years more, teaching along with Stone, and practicing downtown.

I enjoyed very much my law practice and the teaching too. I had some rather famous students in my classes. General "Wild Bill" Donovan was a student of mine, and Franklin Delano Roosevelt. The last named was not much of a student and nothing of a lawyer afterward. He did later exert a tremendous influence on the law of the country by the hundreds of appointments he made to the Federal Bench - good, bad and indifferent.

General Donovan was a good student, industrious, quick, and alert in his work - practical, adaptable to

any problem.

Judge Shientag of the Supreme Court here in town, was a student of mine. He is one of our best judges now on the Bench.

Franklin Roosevelt was no good as a student. He didn't appear to have any aptitude for law, and no effort to overcome that handicap by hard work. He was not a worker and he flunked. He passed my courses - I imagine because they had some interest for him, more than the fact that I taught him, but he was interested in public utilities which were evolving then as an industrial force in the country and the law was being made and statutes were being passed and commissions set up. That kind of public ramification, I suppose, interested him. Then the law of master and servant, employer's liability and agency, also had an impact on public do-gooders, and that interested him. He passed both of my courses but he never received a degree because he flunked. Afterwards in offices downtown he made the same kind of records. I had close associations with the office of Carter, Ledyard and Millburn. Commodore Ledyard was a close friend of mine - Lewis Cass Ledyard - and John G. Millburn was also a close friend of mine. They were lawyers for the old James Roosevelt estate. F.D.R.'s mother asked the Commodore to put Franklin in his office. The Commodore did so and he told me that in the time that

he was in the office Roosevelt never did a piece of work anybody in the office could use. He was utterly useless. Ledyard went to Mrs. Roosevelt - the old lady - and told her that it was no use. F.D.R. then formed a partnership with Langdon Marvin and the latter had very much the same experience - Roosevelt didn't bring in any business and he didn't do any business, so they parted company. Then he went with Basil O'Connor, and thence went into public life.

Justice Vanderbilt, the Chief Justice of the Highest Court in New Jersey, was a student of mine and an excellent one. Young B. Smith, Dean of the Law School now, was one of my students. Mr. Kiendl, one of the senior partners in the John W. Davis firm, was one of my students.

The most conspicuous Judge in the country at this moment, Mr. Harold Medina, was a pupil of mine. He was a crackerjack student. He was the kind you would expect to turn out just as he did - he was interested in the mechanics of the law, pleading, procedure and appeals, and that sort of thing. He had a quizz course when he was a student and quizzed backward students to help them make the grade. He was an outstanding man. He was a most interesting fellow - quick on the trigger, alert and amusing, humorous, practical and level-headed.

It's hard to pick the currants out of the pudding of so long ago, but those were some of the best men.

Vanderbilt was an excellent man, he afterwards was Dean at New York University Law School and then went and lived in Jersey. Judge Hartshorn over in New Jersey was a student of mine, too.

Another one of my students is Ferdinand Eberstadt who has been a leading man in Washington for some years, especially in matters military. Another is Arthur Garfield Hays, the great tribune of the people and the oppressed, who has been active for many years. And the other was George Medalie, who was the United States Prosecuting Attorney in this District.

Arthur Garfield Hays was one of my best students, just as he has become an able lawyer. He was self-sufficient, and among other things, conducted debating groups for pay to help earn his way through the Law School.

Eberstadt was an extraordinarily keen student but the factors most outstanding about him were imagination and an original mind. He knew the precedents and he knew the law most thoroughly, but in addition he had the capacity for expanding his point of view into a new realm if his case didn't find support in exact precedents. He had one of the most unusual minds of any of the students

I had. One of the best.

Medalie was not a conspicuous student but he was thorough, industrious and did good work.

Hays I have spoken of as a good student but he wasn't as brilliant as Eberstadt, although a well grounded man. I went off with him for a little cruise one time after he was married - in a small boat. He couldn't imagine what made him stop until I suggested that maybe the gasoline was out, and when he tested it he found it was so. I rowed ashore to a pumping station on the Long Island Railroad and bought a can of gasoline and brought it back so we could get back to the Connecticut shore.

Years afterward I encountered him in a case, when I was president of the bank, and he had as his client Morris Ernst, the great free-wheeling reformer of New Deal days, who was acting as one of the Trustees of the Garland estate, which owned some First National Bank stock. He began a very pettifogging performance to disrupt annual meetings, which amused me and at the same time prompted me to meet his pettifogging tactics by delaying tactics which completely stymied him and he engaged Arthur Hays as his lawyer. Arthur came in with him one day and said to me,

"Don't you think you've had enough fun with Morris Ernst so we can talk on a legal basis?"

I said, "Yes, if you want to abandon his tactics, why I'll meet you on any field you choose." From then on we had no difficulties.

I have never read Morris Ernst's book and I never want to. He's a smart Aleck. Arthur Garfield Hays is able but he's not a smart Aleck. He takes extreme positions at times but he always has a good base of operation. Ernst is a half-baked fellow who goes off half-cocked; about one tenth as smart as he thinks he is. Arthur Garfield Hays is a man of real ability. He realized that I had just been playing with Ernst and checkmating him at every point because his was just a smart Aleck line of work. Arthur knew that all he needed to do was to get on a sound basis and be reasonable and he'd get whatever he wanted, which he did. The best judgment Ernst showed in that case was to retain Hays as his lawyer.

I knew Nicholas Murray Butler intimately. Mr. Butler was very much like all men in that he was a rather complex personality. I've always nominated him as the vainest man I ever knew. John Davis and I had quite a contest one time. He thinks Thomas J. Watson is the vainest man that New York has ever produced. I knew them both and I used to waver once in a while with John, talking about them, but it still appeared to me that

Butler merited the first choice.

I'll never forget one night Butler talked at the Century Club and I think the perpendicular pronouns got so close together there was hardly any wordage between, about all his experiences. He was a most able man in his vocation. He had a sound perception in selecting men. He made some mistakes in that line, and his vanity would come in and he would be loathe to change. He would keep a poor man - I won't name any of them because it isn't kind - but in connection with the Law School that was true.

One reason Stone wanted me to go up there was he had laid down certain hard and fast conditions of his acceptance. One of them was that Butler shouldn't appoint anyone to the Law School until he'd sieved through Stone because Stone had the number on certain men that were there at that time. He didn't want any association with them - they had been put in by Butler. Butler made the agreement and then he tried to avoid living up to it, but Stone was too strong a man to be imposed upon and Butler didn't succeed but they had a hot show-down about it. Butler was adversely affected, I think, by his ambition to be President of the United States. He was not a politician in any sound sense and yet he had cultivated his relationships in such a way as to acquire the habit of trying to be all things to all men and attract the support of all kinds. Then that oozed

over into his relations at Columbia, and influenced everybody around the University. The result was, you couldn't depend upon his staying hitched in a certain course, if he saw that there was some advantage to his own leadership in deviating from it.

Butler was a charming man socially. I remember thirty-five years ago turning up in Oxford at the same time that he was there. We were around there several days together. He was most delightful and charming in that kind of association, where he was away from school, playing truant and having a good time - he was a delightful fellow. He was curiously ambitious about things that you would think he wouldn't be. For instance, he was anxious to be president of the Century Association, which is, I suppose, about the most famous club in the country and has had very distinguished presidents - William Cullen Bryant, Root, Choate, and Bigelow. He ran for the presidency at the same time that he was president of the Lotos Club. The man who ran against him was Royal Cortissoz, who was, before he died last year, a great art critic in this community. Royal beat him about ten to one, or something like that, which is a curious reflex of the attitude of fellows who knew Butler well but thought he didn't deserve the presidency - that he was spread thin - and that Cortissoz was a great scholar and critic and had worked

for the club and deserved it.

I had a curious experience with him when I resigned as Trustee at Columbia. I was elected a life-member of the Board in 1922 and had been active and industrious in attending to my duties there. The Alumni Trustees cooked up a scheme to have the Board of Trustees allocate certain funds to make up the deficit in athletic activities of the University. Butler, knowing that I had been an athlete, put me on as Chairman of a Committee with Bert Putnam, who had been an oarsman at Columbia, and the other graduate Trustees - to consider the proposal and report to the full Board. I didn't believe in the measure at all, and quite the contrary, regarded it as a violation of trust to allocate any Trust Income to such purposes. I convened the committee and told them we would have a meeting in about three weeks. During the three weeks I wrote the report for the committee and had it printed, at my own expense, laying out the proper function of the College in athletics, which was to provide a gymnasium and a playing field, and then let the men who wanted to expand their muscles, do so at their own expense, but not draw on our Trust funds. I then convened the committee and said, "Now, I suggest each of us put up \$5000 and then raise \$50,000 more - which would meet the deficit of \$75,000, and then submit this report." All members of the com-

mittee unanimously signed the report as I had prepared it and then we presented it to the Board and the latter passed it unanimously. When I was abroad some new alumni trustees had come in, they're a revolving group of five elected for five years and staggered. They overturned my report while I was abroad but I happened to come home for Christmas and attended a meeting and this new report was presented. I objected to its consideration, saying, "We have already adopted a resolution on this subject by unanimous action of the full Board. Now you propose to reverse that action, and it's not to be done for it would be a violation of trust." The Alumni Trustees had electioneered up to a point in my absence so that they passed the new proposal over my protest. It was a tie vote. Butler then cast the deciding vote to accept the new report, and I resigned immediately - I never was a Trustee afterwards. That's the kind of thing that he would do - he was unreliable. He persuaded me to work that all up and put through the proper kind of plan and then because the Alumni Trustees worked under his skin, he backtracked. Such behavior is very bad in a man no longer wearing short pants, to my way of thinking. Yet, with it all, he was a great president of the University and managed a complex machine with real ability.

The only other criticism I ever made of him was that when he completed his term as president he continued to

occupy the president's house so that the new president couldn't live in it, which I thought was very selfish. It wasn't his house.

I can tell a story about his portrait which hangs in the Trustees Room. I was chairman of the Finance Committee. He came to me and said that his associates were anxious to have his portrait painted and I said, "I think that ought to be done. I know a painter who will do it." I knew what he was going to propose because he was going abroad and I knew he was going to commission Orpen to paint it. I said, "You ought to have Gene Speicher or Abram Poole or some good artist in this country paint it." He said, "No, I don't want either of them." Both of them are Centurions - fine painters. He said, "I want Orpen to paint me. I'm going abroad and I've made tentative arrangements for it." I said, "If you're going to employ such an expensive man as that," (this was all mischief on my part) "you won't get more than a bust because he'll charge you three times as much for a three-quarter length." "Why," he said, "all the portraits hanging there are three-quarter length, I want mine." I said, "Well, you're determined to spend these trust funds on that portrait, we'll have to do it, I suppose."

I then said, "What gown are you going to wear when you have it painted?"

He said, "I'm very much puzzled. I love my gown of Doctor of Civil Laws of Paris," - which is a conspicuous gown of scarlet or cardinal. "On the other hand, I prize very much my Cambridge gown with tamoshanter, ermine tail. I don't know what I'll do." If you ever see the portrait, you'll see the Paris gown hanging on the screen behind him in the picture and he is wearing his Cambridge gown. Little things like that make me still adhere to my idea that Butler was the most vain man I've ever known.

Butler was a good man in his job and had a lot of qualities I admired very much. I remember one night dining with him and John W. Davis and some others equally important at Guthrie's house. After the gentlemen were sitting together, a question came up on a current piece of legislation before the Courts. Butler commenced to pontificate about that to these two lawyers, Guthrie being a great Constitutional lawyer and John W. Davis one of the best lawyers in the country. Finally Guthrie said,

"Mr. President, you're in error if you think that law means what you contend, it doesn't at all."

Butler, of course, didn't pay the slightest attention to Mr. Guthrie, just spewed out a whole lot more words to show how right he was. Then John Davis said,

"I was in Congress when we passed that law and I afterwards tried a case under it as Solicitor General,

and you are wrong."

"No," said Butler, "you're both wrong, you must refresh your recollections." He just had to be right.

I had so much of Butler over the years that I didn't want any more if I didn't have to take it, so I haven't read his book Across the Years.

He was a valiant soul in his last years when he was blind. Gosh! I admired his fortitude. He was almost totally blind - I suppose he might tell the difference between light and night but that was about all. Yet he never whimpered about it and never wanted himself favored on account of it - he was a valiant fighter, a noble fellow that way.

I didn't know Elihu Root. I met Mr. Root and I knew men of my age in the Root-Clark office and I know the fellows that followed on, but Mr. Root was in Washington in public life at the time I was at the Bar, and was not in practice where I had any contact with him. I met him at the Century Club but that would mean nothing except listening to him address a meeting.

I didn't know Mr. Joseph Choate in any way of the slightest importance. I had a slight contact with him at the time he came back from his Ambassadorship to St. James's, and brought suit against Paul Cravath and other directors of

the Metropolitan Securities Company for their handling of certain financial transactions on some Bond issues of the street railways here. The lawyers, like Paul Cravath and others, laughed about Choate's attack, said he was like one of the raiding Jew lawyers on corporate affairs. Mr. Choate said, "The only difference is, I'm going to try for judgment." So they got to a point where they decided they would settle and they all agreed on Robert de Forest to apportion among the defendants, according to their ability to pay the parts of the total agreed settlement. In that connection, I barely met Mr. Choate. You see, young Joe Choate is just about my age - his son, and his nephew, Arthur Choate, and his daughter Mabel Choate, were my contemporaries, but I didn't ever know Mr. Choate in any real sense.

The men of that generation whom I knew best were men like Ledyard and Millburn and Cromwell.

I knew George W. Wickersham. I had participation as a junior in a case when he was Attorney General, which involved the interpretation of what was known as the Commodities Clause Amendment to the Interstate Commerce Act, which prohibited railroads from transporting goods over their rails in which they had an interest, other than their own supplies. I did a lot of work on that case.

It was a case that involved the interpretation of

that phrase forbidding them to carry, in interstate commerce, any commodity in which they had an interest, other than logging railroads, for example. They could carry the materials which they used, like coal, ties and lumber. It was brought primarily against the anthracite railroads in eastern Pennsylvania because the Delaware-Hudson, for instance, owned its coal mines directly. The Delaware, Lackawana and Western Railroad was originally organized as a coal company and built a railroad to carry out their coal. The Jersey Central, for instance, owned 82% of the stock of the Lehigh and Wilkesbarre Coal Company, and so the arrangements were very various. The defendants in that case were the anthracite carriers. The case was prepared in a sensible way by conference between Wickersham and lawyers for the defense - in drafting a complaint against the carriers, and then the defendants drafting an answer. Subsequent conferences among all the lawyers framed the issues to a narrow focus to test the constitutionality of the act. White was Chief Justice at that time, and wrote the opinion. He was a Jesuit, and Jesuit trained, and he wrote a most Jesuitical kind of an opinion which was unanimous and was a complete victory for the Railroads but of no particular value because it rested on such narrow grounds and grammatical construction, and thus dodged

the Constitutional question. The result was that the department broke those cases up into separate suits and alleged a lot of additional facts to present more concrete, practical situations. The ultimate result was that our side was eventually completely licked by this chipping off piecemeal these separate cases. I wrote an article for the Columbia Law Review which I didn't sign, criticising the original White opinion, although it was in our favor, as being helpful.

When the second group of cases came along I was in a more advanced position and argued in the Supreme Court and that Law Review article was quoted in the oral argument against me. The fellow who quoted it didn't know I wrote it, so far as I know, and I didn't tell anybody.

I was junior attorney for the Railroad when that case came along and Mr. de Forest was my senior, but he was pretty sketchy in those days about attending to the law business and I did the work. But he was the leader with Mr. Wickersham, whom he knew well as a neighbor and they were great cronies.

Mr. Wickersham was a delightful fellow. He was not a great lawyer but he was a good lawyer. I think the best illustration of the way he'd get along in life, was the way he used to speak French. He would speak French to any Frenchman and the Frenchmen, no matter who they were, would

laugh their heads off at his French. It didn't faize Wickersham at all, he'd just go sailing along and insist on talking French although the other fellow could talk English. He was that way, he had great charm and he was a most friendly, kindly man to an associate or an adversary - a fine gentleman. Henry Taft, a partner of the Wickersham-Taft firm, lived in this house and we were great friends, too - he was a brother of President Taft. They were both great gentlemen and both not quite top-cut lawyers, from the standpoint of professional profundity. They were good working lawyers and they had an excellent business and handled it well, but neither of them was a great lawyer like Root or Choate.

I had one other case that was important at the time it occurred, which was brought by McReynolds before he went on the Supreme Court. That was a suit against all of the anthracite Railroads and coal companies they owned. The action was brought under the Sherman Anti-Trust Act to break up what they alleged was a conspiracy. That also was a case that amused me greatly. I filed a plea in multifariousness, as the lawyers call it. That is that the pleadings of the Government brought into the case as conspirators, seven major Companies and alleged they were under conspiracy and described the steps by which that conspiracy was perfected. I filed this plea. Ordinarily

the plea is addressed to the trial court as a matter of convenience, so as not to get Albertson in a case where he has to spend day after day listening to what Reynolds did and with which Albertson had nothing to do. It's so multifarious that you waste the Court's time and you waste all the litigant's time listening to testimony against the other defendants with which they have nothing to do.

The lower court was what they call an Expedition Court under the statute Gray, Lanning and Buffington. That Court decided there was nothing in this multifarious plea and went on and heard the case, and decided in the defendant's favor on the merits. Then the Government appealed the case and John G. Johnson, the greatest lawyer this country ever produced, was the senior counsel for all the Railroads. I was still a young lawyer then and he sent for me and he said,

"I want you to argue this multifariousness in the Supreme Court."

I said, "That has no place there, Mr. Johnson. That's addressed to the Trial Court for purposes of their convenience in listening--"

"Oh, I know all that," he said, "I knew that before you were born. I have something else in mind."

I said, "You know, the only cases where the Supreme Court could properly entertain such a plea, would be in suits between the States or with the Indian tribes or

foreign governments, something that can be brought before them in the Supreme Court. Then you have the proper place."

He said, "I know all that, too. But I want you to argue that question."

I said, "I'm ashamed to."

He said, "You put on a mask and go in there and argue it."

I did, and in all the cases where multifariousness was properly before the Supreme Court, they never entertained the plea - they always went ahead with the case and the plea had never been supported. In this case, where they had no right to, but wanted to get rid of deciding the case, they held that the plea was proper and that the case should be sent back and tried separately against each defendant.

The purpose of Mr. Johnson's argument was that this case was so multifarious that there couldn't be any conspiracy. They then began cases against each defendant. That each defendant was violating the Sherman Act in its own conduct, in relation to the general industry, etc. That case I handled for the Reading Company, which was the biggest producer of anthracite coal at the time. They brought that forward as the first case. If they could knock them out, why the rest of the nine pins would fall. At the beginning I was junior to Mr. Johnson in that case. I tried the case and took all the testimony and wrote all

the briefs, and then we, together, argued it. Again, in the lower court we had a grand victory which we were perfectly willing to accept, although there was one side issue in it hit us in the pit of the stomach, in respect to one coal company that was in the group of the Reading properties.

That case had a curious history during the First World War. The Government appealed the case. I went to Washington and tried to get the Department of Justice to accept the lower court's judgment but they wouldn't. That case was argued three times in the United States Supreme Court. As far as I know, no other case was ever argued three times. McReynolds had begun the case when Attorney General and so he disqualified himself. Brandeis had been in litigation in a matter in which he felt that he was tarred a little, and he disqualified himself. John W. Davis was my adversary. Mr. Johnson died during the progress of the case so that at the end I had to argue it alone. In the Supreme Court John and I argued it twice and then he went to the Court of St. James's and I argued it the third time against the Solicitor General Alexander King and was licked four to three. There were only seven Judges by reason of Brandeis and McReynolds disqualifying themselves. So I always used to josh John Davis, who was a neighbor of mine in the country and we have been off on

mountain trips in the West together, about how discouraged he got and quit law and went into diplomacy because he couldn't win that case, and then a fellow nobody had ever heard of came up and peeled half a man off the Court and licked me.

An interesting thing about the difference between the Supreme Court in those days and now. The Supreme Court, when I was at the Bar, consisted of men of great experience at the practice of law and on the Bench. For instance, I had been in cases, in my day, against Pitney in New Jersey, before he went on the Bench, and McReynolds before he went on the Bench, and Brandeis before he was made a Judge. I had been associated in non-litigated matters with Hughes and Stone and Cardozo and Clark, all those men - the seven men out of the nine - active, eminent, able, some of them the very ablest, like Hughes - men in the Bar where they practised. Well, this present Court, nobody on it you ever heard of as a practising lawyer - it is a very curious difference between my day at the bar of that court and now.

Before he went on the United States Supreme Bench, I had a case in which I appeared against Mr. Justice Pitney, who was later on the Court of Errors and Appeals in New Jersey. He was a thorough-going, sound lawyer, commanded great respect, had a full knowledge of procedure and

practice in the Courts and did an excellent job. I liked him greatly and had a great respect for him and his partner, Mr. Hardin, who was a member of the firm Pitney and Hardin.

Later I had a case against Brandeis before he ascended the Bench. I never had the high opinion of Brandeis' scholarship and judicial equipment that generally prevailed. When he was nominated for the Bench there was strong opposition before he was confirmed. The opposition arose in his own Bar, and many members of that Bar opposed his confirmation to the Court. It was based primarily on allegations that his ethics were not of the highest and not such as to qualify him to sit in judgment in the Supreme Court of the United States.

In my case in which we were engaged, I felt the same thing, that he was perfectly willing to take a position that was really untenable, and contend for it with a great deal of spirit and aplomb, but didn't evince an underlying sincerity in his presentation of the matter. He was of an ability considerably above the average and he was a good manipulator of the English language, in oral argument or brief.

McReynolds I was against in long-drawn-out litigation running over two or three years, to the time when he became Attorney General. He was a man of great technical ability in the province of law but a man enamored of verbal

logic. He was a great fellow in his oral arguments and in his briefs to set up a mechanical syllogism and work it out with great adroitness. But an adversary would criticize him in the same way that his associates on the Bench did later and people who appeared before him did, which was that he was so highly technical and analytical in dealing with any problem, that he saw it as a verbal display rather than a matter of underlying justice. He was not a broad gauged man but within the narrow confines of his view, was extraordinarily able.

Justice Harlan Fiske Stone was a very different type of man. I never was against him in any litigation, I was once with him from two different angles; he had one client and I had another in a fraudulent sale of mining stock in a mining company in Arizona. We worked together on that and showed up the crooks very thoroughly. When he was Attorney General I presented to him an application to urge with President Coolidge the pardon of a Jew who had been a student of mine and who was blind. He was attacked for allegedly making a return which suppressed some facts in connection with the administration of the Office of the Alien Property Custodian. It was in connection with the sale of the New York Globe and Commercial, a newspaper, to a group ostensibly made up of St. Louis Germans, but actually subsidized and financed by von Bernstorff, a

German agent prior to World War I and after the War. He had as a lawyer, an able man, Walter Noyes, who afterwards became a Federal Judge - a man inexperienced in criminal practice, and at a crucial stage he failed to take exception to the admission of certain evidence and suppression of certain other evidence, and lost his case. This poor Jew, who was also blind, was sentenced to Atlanta for a year and a day. I became convinced that he was not guilty. For purposes of tactics, I associated myself with William D. Guthrie, a fine New York lawyer and President of the Bar Association. We first took up the question with Stone of getting a pardon for him so that he would be free to practice law when he got out of prison. As a result of it, President Coolidge did pardon him and then Guthrie and I went ahead and applied for his re-admission to the Bar. Under the statutes of New York, a man who is convicted of a felony couldn't be reinstated at the Bar. We took the position that he was improperly convicted and that involved the heretical idea that one Court, the State Court, would ignore the conclusion of the Federal Court instead of giving full faith and credit to the latter's decision. Through the great ability of Mr. Guthrie, he prevailed upon the State Court to go into the record in that case in the Federal Court. When they did, they concluded that particular case wasn't entitled

to full faith and credit; the man had been improperly convicted, and for the first time in the history of the Bar in New York, they reinstated him and he practised law until he died.

I was associated with Clark in railroad cases because he'd been counsel for the Nickleplate Railroad in Cleveland. He was a mediocre man to be put on the Supreme Bench. Nobody who had ever been associated with him could understand how he reached it but it was probably due to Ohio politics and the need for conciliating that group out there that he was put on. He functioned on the Bench just about the way he did as a lawyer - you never heard of him, he never emerged as an important Judge on the Bench at all. Nobody expected him to. He was a nice fellow, agreeable, pleasant associate but never contributed anything as a lawyer.

Mr. Justice Hughes I knew personally and I also was associated with him in one stage of the organization of a Company, in the merger and exchange of stock in a way to avoid incurring taxation. Curiously enough, at the same time Mr. Guthrie had a similar problem and he and I talked about it. I reached a theoretical conclusion on the way to do it and, Guthrie, in his case, acted upon that theory. When I got my own case, in which I had a very large investment, I thought I'd call Mr. Hughes in in counsel. That

was after he had been on the Bench and resigned to run for the Presidency but hadn't yet been sent back to Washington as Chief Justice. I shall never forget the conference with him at which I presented my opinion. I had the greatest admiration and respect for him as a lawyer - the highest of any man I have ever known on the Supreme Bench.

He said, "Your opinion is unassailable in theory and ought to be the law but it won't be."

I told him about the fact that Guthrie was proceeding on that theory and he said that Guthrie would be defeated, that merger would be held to be taxable. He said, "I'll tell you the way we'll set this up," and he did so.

Of course, I abandoned my own opinion but I said, "If you say that that's unassailable theoretically, why do you discard it?"

He said, "Because I know just how every man on that Bench will reason about it. I've had a long association with them and I know they won't agree with you."

We set it up the way he wanted it and our case was held to be entirely free from taxes and Guthrie's people had to pay their taxes.

I had a curious experience when Mr. Hughes went back on the Bench. We were dining together and he had left word where he would be and the butler came in with a

telegram for him. He asked to open it and did so and then he said, "I'm sorry, I'll have to be excused." The occasion was when I came back from Germany following the organization of the Bank for International Settlements. A group of lawyers and bankers who were interested in the subject were dining together to hear what I had to say about it. I hadn't yet started when the telegram came and he said, "I'm disappointed not to hear what you are going to say but I must go. I just received a telegram from the President to take the midnight train." So he left.

The second day afterward he came in to see me, and he said, "I was sorry to leave the other night but I really had to, of course, with a summons from the President. You might be interested to know what it was about. I know your taciturnity and reticence and I feel safe in telling you. He has asked me to be Chief Justice."

Benjamin Cardozo I knew more as an acquaintance and friend than as a lawyer because he was on the Bench when I first knew him and while he was on the Bench I never appeared before him as a Judge, but having like interests we became well acquainted. I was glad to see him go on the Supreme Bench. I had a high estimate of Mr. Justice Cardozo but not as high as the general estimate - I thought he was overestimated. He had a history of the sort to

invite the most indulgent appraisal of his activities. He had a father nobody could be proud of. He started out to live that down and make that name respected, and he did - it deserved respect. He was a little bit like Brandeis in the nimble mind, a little over-refined in its ramifications and not on the broad lines of principles etc., but he practised law quite a long while before he went on the Bench. He was a much abler man and a much better Judge than Brandeis, much more judicial. They both had the same kind of, I use this word, devious mind, not in a bad sense but as turning and twisting through a problem with great ingenuity. Cardozo had a much firmer foundation in broad, legal principles than Brandeis ever had. Cardozo had one tremendous advantage, and that was he wrote the most beautiful English prose you can read - it was extraordinary. It could make worse reason appear the better, he was so adroit, able and convincing in his marshalling of words.

The only time I encountered Holmes was when I argued a case before the Supreme Bench and two things happened. We were restricted as to time and I was arguing a complicated case, both as to fact and as to law. I was conscious all the time of the lapse of my time to speak and I suppose I was hurrying and Holmes held up his hand and said, "Don't you hurry. If you don't get through we'll give you some extra time." I had always heard a

lot about Holmes' literary quality and I did a mischievous thing during the argument. At one stage he said,

"You don't mean to contend, do you?" etc.

I instantly thought of a word that I felt quite sure he didn't know, and thought I would see what he'd do.

I said, "I haven't the hebetude to argue that," and went right on, and I observed him out of the corner of my eye and I knew he had never heard the word. He rang for the tipstaff who came in, and pretty soon the tipstaff brought him a dictionary. That was the only encounter I ever had with Holmes, when we were on opposite sides of the Bench.

My practice was very enjoyable to me because it took me into two states a great deal of the time, and two more now and then. I was usually in the Federal Courts, often in New Jersey and Pennsylvania, and less often in New York and even less often in Massachusetts. That life was the most stimulating and enjoyable of any part of my life, I think, because in those cases I was associated with the very best lawyers at the Bar in those places - like John G. Johnson, many times with him and once against him (the greatest lawyer the country ever developed, in my estimation). Samuel Dickson, Everett Warren, Frank Gowan, Judge Cambell were others in Pennsylvania. I appeared

before such Judges as Gray and Lanning, Buffington, Davis, Archibald, Holt and Hough. I had a warm, intimate personal acquaintance with Judge Woolsey.

At the Bar in Pennsylvania I have spoken of several men who were leaders and close associates. In New Jersey Richard Lindabury was a close friend and Robert McCarter and men of that stamp - William H. and Charles Corbin, all leaders of the Jersey Bar in those days. In New York I had an intimate association with William D. Guthrie and was in cases with Austin G. Fox. For two or three years I was associated in a case with Walker D. Hines who later became Railroad Administrator in the First World War. With John W. Davis, and to a lesser extent with Paul Cravath and Mr. Henderson, one of his partners and Degeresdorf another. With William Nelson Cromwell and his office and Harlan Stone who was in that office too. George Case and DuPratt White, and Joe Cotton, who was Under Secretary of State in the First World War. I knew him very well.

Joe Cotton was, first of all, a man of powerful intellect and it worked as smoothly and effortlessly as a Rolls-Royce engine - it was a beautiful mechanism. Secondly, he was an excellent, all-around lawyer, great originality, great scholarship, complete knowledge of what the law was and had the greatest ingenuity in shaping

his cases to fit it. Finally, he was one of the most charming companions who ever lived, and throughout all of that companionship was just as easy as a Bar room companion could be. No swank or side. The profoundest selfrespect but along with it, complete modesty, and a lack of any swank. One of the most delightful men imaginable.

Another man I knew quite well from Cravath's office was Russell Leffingwell, who was afterwards in the Treasury Department in Washington, and then came back to go in as a partner in Morgan's. He was a finished lawyer although he did not practice law many years but he was a good law student. His practice was not very broad. I don't believe, so far as I know, he ever was in Court but he had an excellent background for corporate practice as Counsel and Adviser in all sorts of business. He had a good business mind in addition, so that he was a valuable lawyer to his corporation clients of which the clintele in that office constituted the greater part. He also, was a most likable, charming fellow.

I think I have spoken of Dwight Morrow, who was in Columbia with me, in my class. Morrow and I were close buddies in Law School and then we were at the Bar as acolytes at the same time. He, too, as far as I know, was never in Court. He, too, was a corporation lawyer and a most valuable one. When I went into the bank he

was a cog in the wheel producing that revolution in my vocation.

One of my clients was in a company in which Mr. George F. Baker was an active participant and large security holder. I argued a case in the United States Supreme Court on a Monday, and on Tuesday I was back in my office and I had a telephone call from Mr. Baker. I had also acted for him in a phase of a reorganization of some coal properties in West Virginia, and knew him. He asked to come over and see me. He was then seventy-six so I said, "I think it is a good deal better for me to come over and see you."

"No," he said, "I want to be where I can talk to you quietly and I couldn't here." So he came over and he sat down and I thought, of course, he wanted to know something about what took place in the Supreme Court the day before when I argued this case for his company, and he was also a personal defendant. So I proceeded to tell him, before he stated the object of his visit. He listened to me indulgently and then he held up his hand and said,

"I didn't come in to hear anything about that case." I thought he would be very much interested, and he was. He said, "What I came over for was something entirely different."

I said, "Oh, excuse me, what was that?"

And without any preliminaries he said, "I want you

to come over to the First National Bank as Director and Vice-President."

I broke out laughing. He said, "Have I said something funny?"

I said, "It sounds so to me, as I am expecting a telephone call any moment from Paderewsky asking me to play a piano duet with him."

He said, "Banking isn't quite as hard as piano playing."

We talked for some time and he told me what he wanted. I had had no idea of it before and I was startled, and I had no idea of what I wanted to do. I said to him,

"Before I even think about this myself, I want to go and talk to a man who has known me for many years, knows me as a lawyer, and he happens to be a banker now. I think he would know whether I could fit into that new field or not and he'd tell me honestly."

He said, "I don't want you to talk to anybody about this."

Then I said, "Then I don't think I'll consider it."

"Well," he said, "who is this man?"

I said, "Dwight Morrow."

"Oh," he said, "you can talk to him."

So I gave him a chance to get ahead of me and then I went over to Morgan's and as soon as I went in to Dwight's

office, he commenced to laugh and said, "You're too late. The old man has been here and I told him that I would advise you to take the job - and I do."

Later Morrow and I became engaged at the same time. He had a release and told me about his plans but I didn't have any and I didn't tell him about mine. But I obtained a release and then I invited him to dinner, and I said to him,

"I know an attractive place down on the Jersey shore where people who haven't any money can live comfortably and commute. Why don't you and your wife come down there, I'm going to be down there this summer."

He said, "I don't want to bring a bride that's just married me, down where you're around. She'd get under your influence. If you'd get married, I'd do it."

I said, "All right, I'll get married." Then I told him about my engagement and we spent the summer together there in a cottage. Years later, if anybody asked Mrs. Morrow if she knew me, she had a stock answer, "Oh yes, I spent my honeymoon with him."

Dwight Morrow was the son of a school teacher and was poor. One time we went out as guests of Johnston de Forest on Long Island and we roomed together. Neither of us had enough clothes to cover us for two weeks. We'd take the marble top off the bureau every night and press our pants under it while we slept. Neither of us had

anything. Dwight had one of the most productive minds I've ever known. He had, at the same time, a curious inertia about carrying out conclusions that were so much better than mine, that if mine had been one-half as good with my bull strength and physical stamina, I'd have gone right ahead with it, but Dwight wouldn't. He was not a man to work alone but he was one of the most valuable men as counsel I ever knew. Always just a volcanic eruption of ideas and thoughts and schemes and plans. A most extraordinarily fertile mind. He was, in many senses, a little of a wool-gatherer left to himself. I don't know why, but he was. His great value, as I say, was sitting around a board and knocking out points that others would raise, and putting forward some of his own that were almost invariably excellent, sometimes not adopted because of the lack of practical background. He was most industrious and alert, but absent-minded. He would be in the room with you and start to say something and say, "As I was saying" and it would be an entirely new topic which he had been mulling over in his mind and didn't know whether he had said it or not. He'd think he had said it because he had thought it. You could say something to him and he might not answer you for half an hour and then he would say, "Oh, you asked me so and so. Well, this is what I think about it." He might not have been thinking about it, he might have been thinking about something entirely different. He had a very curious mind

in that way. He had a great sense of humor, originally amusing, no almanac jokes at all, just out of the air he'd pick them and make them funny.

When we left the de Forest's home after our stay, we were with two other fellows whose fathers were rich. They brought trunks, we brought a small suitcase a piece. By the time we left, our underwear was all worn out. One of the sons of the rich received a paper bundle from Abercrombie and Fitch's while they were there, and we found the paper. When we left we wrapped our dirty underwear and everything all up in that paper addressed to that fellow, and left it on the private golf links on the estate so somebody would find it and blame those rich young men for wearing such shoddy underwear.

I met Morrow's daughter when she was a child but never after she grew up.

Shortly after Charles A. Lindbergh's extraordinary trans-Atlantic flight, I was dining with Adolph Ochs, the owner of the Times, and we talked about Lindbergh's articles, which naturally couldn't amount to much, just flying over the sea, but they were hot news and they were exclusive in the Times. I said to Ochs, "How did you happen to get that story? That's odd."

He said, "One day Lindbergh walked into my office and said he would like to sign up with me for an exclusive

story on this flight, the first time it was ever done by a single aviator in the world. He interested me deeply and he had a lot of force and attraction. Finally I said, 'Well, how much do you want for them?' He said, 'Twenty-five thousand dollars.' I said, 'Why that particular amount?' He said, 'Because I need it. You don't want them, I take it.' 'Yes,' I said, 'I do.' He said, 'There is one other condition. I want payment in advance.' I made a pretty cruel reply to him, I said to him, 'That's unreasonable. Because you may never submit the article because you may never get across.' He said, 'That's why I want it.' Ochs added, "I paid it to him in advance."

I think that is an interesting story about Lindbergh. I don't think it is generally known but it is true because Mr. Ochs told me.

The only other story I know about Lindbergh is a humorous one. When Lindbergh was making a great deal of money, in later years after he became established and was quite a figure, one day I met Dwight Morrow and he said,

"You know, people don't know that my daughter married that man for his money."

There were two Bakers, father and son. The father was the tycoon with the dundreary whiskers. He was the man who hired me, when he was seventy-six years of age. I knew

him, and as I say, had acted for him in the reorganization of the Davis-Elkins Coal Company in West Virginia. He put me on as trustee of the Stock he acquired, to be held in trust under an indenture for a while. Then I acted for him in this case that I had argued for him the day before he came in to talk to me about going into the bank. I had been counsel to another company for which he acted as Chairman of the Board. I went with him about this time in 1917 and had a close association with him. He looked like the incarnation of a John Bull banker. He had a florid complexion and, for his years, not a great deal of gray in his hair. He often would read any fairly coarse print in any document in front of him on the desk, before he would put his glasses on. He had dundreary whiskers and a florid complexion and was of medium height, broad shouldered, deep chested. He possessed one of the best heads for a financial problem I ever encountered, due greatly to the fact that he never over-simplified any problem but always considered it from the standpoint of four or five predominating, controlling factors and ignored a great deal of detail.

One of the first things he wanted to know about in the enterprise that he interested himself in, was about the men in it, as distinguished from the business - what kind of men they were. He was an exceptional judge of men. He made mistakes, on some occasions, in his selections but in

thirty-five or forty selections he wouldn't make more than one or two mistakes about a man; he had an extraordinary insight into the human mind of the fellow he was dealing with.

He was quite an austere man and of great dignity. As far as I know, I was the only man who ever joked him and poked fun at him about any absurdity of his. He just loved it. He loved it because he knew that when he asked me any question, I'd always tell him exactly what I thought. It might not be what he thought. I might say that I thought his idea was nonsense. Sometimes I did. That's what he liked. He didn't get much of it because people deferred to him so much and I had a warm, close association with him.

He was one of the greatest penny-pinchers who ever lived. He always wrote memoranda on slit-up used envelopes. If a clerk would bring him a statement on a sheet of paper 8 x 6 inches and the memorandum covered only four of the eight inches, he'd send for that man and give him thunder about wasting that paper.

He used to lunch with me at the club or restaurant, or come uptown with me in a cab and he'd always fumble to sign the check or pay for the cab, but he'd never be quick enough - so that I always had to do it. On the other hand, he'd give Harvard University five million dollars to build

a school of business.

One day my wife drove up to his house in a rather battered car - he was very fond of her - and he said,

"Marion, can't your husband afford to give you a better car than that?"

She said, "I guess not. He doesn't."

The next day he asked her to go to the Lincoln agency and pick out the best Fleetwood body and car that was available, for a lady friend of his. He said,

"I want the initials put on it, and when you get it selected if you telephone me I'll give you the initials, you'll forget them otherwise." So she did. He said, "M. T. R. are the initials to be put on it and have it delivered to Marion Reynolds."

He never had any side or patting himself on the back about his great success in business and his great ability there but he was very proud, and conceited and boastful about the fact that when he was in banking department at Albany as a young man, he was champion of the single sculls on the river, and that he could chin himself with one hand. I never heard him make a boast about any business accomplishment.

He had the greatest sense of business honor with all that acquisitiveness. He would get every last penny out of a deal but always with the finest sense of honor.

The reverse of the shield was that he never wanted to have anything to do with anybody but that kind. I remember there was a head of a nationally known accountant firm who was a great friend of mine and he did accounting for a great many businesses, some of them of considerable importance. One day he said, "With a word to so-and so, who is the head of XYZ corporation, I can get you that account. It will be a large one and profitable. They're making a great deal of money."

I said, "I don't know about that. I've never quite liked that concern, but I'll speak to Mr. Baker and if he overrules me, I'll give you the go-ahead signal." So I spoke to Mr. Baker.

He said, "I don't want that man's money in the bank at all. I don't want any association with him."

Of course, we had complete control over the account, but he didn't even want this name on the books. That man's account was very much sought after. Subsequently he was tried for subornation of a public official in Washington. Mr. Baker saw the sign ten years before and didn't want anything to do with his money. Any other bank of New York would have accepted that account, there's no reason why they shouldn't be a depositary - they didn't need to make loans to him or anything, if they didn't want to. But he didn't even want to start.

Mr. Baker as I said, incidentally, some time ago, had no egotism or conceit about his being a master of banking. He was interested in his athletic powers as a young man, that interested him a great deal more. No, he wasn't much of a man to talk about the past, to reminisce.

He started out as a clerk in the banking department in Albany and had framed in his office, the letter that employed him. He worked up from there to the top. He had lots of good experience.

I can tell one story of his modesty about his outstanding ability - he was better than all the rest of them put together - in finance. The State of West Virginia had separated from the State of Virginia and there was long litigation over how much of the debt of Virginia should be assumed by West Virginia. The litigation was acrimonious and eventually West Virginia and Virginia came to terms, and West Virginia sold its first issue of bonds. The bond issue was very hard sledding to market and it was handled by Brown Brothers. When they completed their work, they sent West Virginia a bill for their services and West Virginia disputed its propriety. Brown Brothers had to sue West Virginia. In the course of the suit, as to the propriety of the charge, its reasonableness, they put Mr. Baker on the stand as their witness to testify as to the

fair amount to pay them and support their bill for services. A lawyer puts his first question to anybody testifying in that role, as an expert to draw out that the witness is an expert in the field to be covered. Then the witness can testify with authority before the Judge or the Jury as to the value of such a service. The lawyer said, "Mr. Baker, you are an expert, are you not, in the issuing and marketing of Bonds?"

The old man said, "I don't think so."

Of course, everybody laughed, they all knew he was. But that was his spontaneous response to such a question, he wasn't an expert, and he was the best man in the country on it.

In January 1922 I became president of the First National Bank.

I was made a Trustee of Columbia University for life and, as was natural, became Chairman of the Finance Committee and had a great deal to do about their investments and the development of their endowment and worked with their treasurer.

They owned vast real properties in New York, one called the Lower Estate down near Trinity Church, a little to the north of it, the upper estate where Rockefeller Center now is. A very active man on the Columbia Board

was Alfred Marling, who at that time was the best real estate man in New York and one of the finest characters I ever knew.

About 1925 we began to realize that we must look ahead and do something about the Upper Estate, which is now Rockefeller Center, because business was growing in that direction and some big stores had moved uptown and others were known to be contemplating removing from around the 23rd Street and 34th Street districts, where mercantile affairs were formerly centered. So in 1925 Nicholas Murray Butler appointed a Real Estate Committee, of which I was Chairman, the other two members of which were Fred Goetze, the then treasurer of the University, and Alfred Marling. The problem was to try and get the Upper Estate into plottage so that it could be leased in larger pieces. The history of this real estate was that there was a twenty acre farm over there originally, running from what is now 47th Street to 51st Street, and from 5th Avenue to a line 100 feet east of the westerly curb of 6th Avenue. That farm was bought nearly 150 years ago by a man named Dr. Hosack, who was the surgeon who attended Alexander Hamilton in his duel at Weehawken with Aaron Burr.

Hosack built a large greenhouse there and started to try to raise roots, herbs, gums, and barks for his study of materia medica. He himself was a teacher at what had been

King's College and was then Columbia College. About 1814 the State of New York bought that farm from Hosack and later gave it to Columbia. The first year Columbia had it, it leased the farm for \$125 a year.

Then in 1828 or thereabouts, streets were cut through and the University of Columbia then sold the Fifth Avenue frontage of the block between 48th and 49th Streets, in order to get money to pay for the street improvements.

Then in 1896 they moved up to where they now are and they then sold the whole block from 47th Street to 48th Street to raise the money to make that removal.

The first time they made leases, they leased house lots and they made them renewable for certain periods and all of them fell due at the same time, about eighty years ago. A smart lawyer got hold of all the tenants and said,

"These leases contain a covenant that Columbia will pay for the improvements if it refuses a new lease. Now they haven't the money to pay for all the improvements. Now we'll get all the lot owners together and we'll get our own terms for renewal." That turned out to be good advice because Columbia had no money. Then they thought they'd do the smart thing by making separate leases for each lot and making them mature at different times, staggering them so that never again would they be confronted

with that wholesale take-over at one moment.

By the time we began to approach the problem, that was just the wrong thing because what was wanted was plottage for big improvements like Saks store on the opposite side of the Street or Tiffany's up the street and Best's. So we had to get these leases in as they fell due and pay for the improvements and then sit with such income as we could derive on leases day to day or month to month, until we could get a plot the size of what was needed by prospective tenants. We mortgaged the Lower Estate with an open end mortgage and eventually spent close to five million dollars to get the money to buy the improvements on these lots. We worked for about three years from 1925 to 1928. We then had a good deal of plottage but not coverage for the whole three blocks that then remained of the original farm.

In 1928 the aggregate rentals from all those lots was \$360,000. About 1927, a fellow named Giddings, a lawyer downtown in Sullivan and Cromwell's office, came to me, saying he had a client who wanted to lease the block front opposite Saks, which was $77\frac{1}{2}$ feet deep and extended from 50th to 49th Street. We talked for some time and finally I said, "This is all idle, let's get down to what you'll pay."

He said, "We'll pay \$225,000 a year rental."

I said, "That isn't enough."

He came to see me alone because I happened to be a lawyer and he knew me and my mother's maiden name was Giddings. He said, "What do you think it's worth?"

Without a moment's hesitation and without the slightest knowledge of what it was worth but bearing in mind the income for the whole three blocks for the previous year, I said, "Three hundred and sixty-five thousand dollars."

He said, "That's absurd."

I said, "We will get it."

A few months later another man came to me and wanted to lease the whole block between 49th and 50th Street and he wouldn't disclose his principle and I thought it was Wanamaker. We didn't know and don't know now. Again we got to talking figures and he asked what we wanted for that block, and of course the rental value receded in amount as you went toward 6th Avenue from 5th Avenue, but I said,

"One million dollars, but we'll not disclose any terms at all until you disclose your client, because it is too important to us to know that it isn't going to be a brewery or a bus station or something like that which will kill the rest of the lots."

So that dropped. Early in 1928 Herbert Satterlee, J.P.Morgan's brother-in-law, came to me and said,

"I want you to get your real estate committee

together and I want to bring in to see you some people who want to lease all three of those blocks."

I said, "All right."

We assembled and it turned out to be Robert Fulton Cutting and old man Dowling of the City Investing Company, and Walker and Gillette, who are architects and Herbert Satterlee lawyer and Starret & Co. as building contractors. We began to talk and after a while I said to Mr. Satterlee,

"Herbert, this is all very interesting but I'm a pawn broker and I want to know about the money we're going to get."

He said, "We haven't got to that point yet."

Walker and Gillette were one of the best firms of architects so it promised to be architecturally anything that one could desire. They hoped to get general tenants, some stores and office buildings and the Metropolitan Opera House located there.

Finally after some prodding, Mr. Satterlee said,

"Well, Jack, the upset rental we can pay is \$3,000,000 for those three blocks."

Here is an unbelievable coincidence in the time scale of eternity - the stenographer in the outer office came in and laid before me a piece of blank paper. I turned it over and it said,

"Make no commitment today, Mr. Rockefeller wants an appointment on Thursday."

I left it wrong side up and said, "You've made an offer of \$3,000,000, you're prepared to go through with it."

"Yes."

I said, "We decline that offer. Therefore there is nothing on the table."

He said, "That's a pretty cavalier way to discuss a serious question like this. You mean you won't negotiate any further?"

I said, "I suppose you are sincere, you said that was your top price and that isn't anywhere near our price, so we might as well call this negotiation off."

He said, "I think as a man interested in Columbia, you're acting very foolishly."

I said, "You wouldn't if you knew the facts. I expect to lease this property for more than that on Thursday."

He said, "I don't believe you'll lease it to any group as financially responsible as this one."

I said, "When you see the name of the leasee I think you will agree that the tenant's financial responsibility is all right and probably just as good as yours."

So that meeting adjourned, not angry, oh no, they were all cronies of mine. Walker and Gillette built our bank and I was on a Board with Dowling and on boards with Herbert Satterlee. The builders were to be Starett and Company and Louis Horowitz, the president of that was an

old chum of mine. They all knew the cut of my jib, no, there was no offense at all. They just regarded it as one of my idiosyncracies.

Then Mr. Rockefeller came into it and he had Debevoise, the lawyer, conduct the negotiations after the first meeting. The first time Mr. Rockefeller came in and said he wanted to get into it and he was going to leave details to his lawyer and real estate man. Rockefeller outlined the general scope of the plan that he was going to adopt which was to convert it into an office center and perhaps some kind of a theatre. He indicated that if the Metropolitan Opera House wanted to consider space, he'd be glad to entertain that.

Without going into any details, after some weeks we made a lease with them to take over the whole property and fixed the rental for the whole property. All but two lots were coming into maturity and we would get them before he would have to begin to erect structures.

The figure that came into my mind as proper rental, after hearing Herbert Satterlee's \$3,000,000 offer was just ten times the figure that we had leased it for the year before or \$3,600,000 and two very important conditions. One, we learned from experience was, that on the eventual maturity of renewals, the physical structures on the property should be ours without cost. None of the old

experience of 1869. The other condition was, that Rockefeller should pay all the taxes, including any taxes on the land which might possibly be levied against Columbia, although at that time taxes were not levied against the educational institution, Columbia, but we didn't know but what they might be. So those two very important conditions were in those leases and that net increment in the annual income was \$3,600,000 to Columbia. I think it is interesting that that old farm, one third larger than the present area, rented for \$125 a hundred years previously.

Nobody knew about the land values. That was just about a year before the great bust of 1929. Fellows were buying real estate here who didn't know anything about real estate, and real estate values were gyrating all over the place. A fellow named Winter bought all sorts of plots all around here and made a fortune and lost every cent of it in 1929. The year was most fortuitous, 1928.

Mr. Marling was the best judge of real estate values this city has ever seen and he was on our committee. The only thing was, he couldn't believe we could get the figure I was dreaming about. He thought it was too high. He thought we would be lucky to get the \$3,000,000 that Herbert Satterlee and his group offered us; he was willing to take it.

At that meeting with Satterlee the rest of the committee didn't say anything when I turned down Satterlee's offer. They knew me and they saw that secretary bring in a piece of paper and lay it before me and saw my entire attitude change and they knew very well there was something on that paper to change it. I didn't have any figure in mind when they came in. Having fixed the rental price for that middle block at \$1,000,000, we had in mind something around \$2,800,000 because we didn't own all of the block between 49th and 50th, the frontage of which was sold to put through the streets a hundred years before. We thought \$3,000,000 less that frontage was somewhere probably around reason although the people who turned down the \$1,000,000 on the single middle block hadn't followed it up, which was cautionary and a caveat most people would worry about a little. The real estate projections in value were so crazy at that time that nobody knew what one could get until a signature on the dotted line closed the deal. It was the most spectacular real estate speculation this city has ever seen.

I was also chairman of the committee which leased the property across the street here to the Waldorf-Astoria. In that I took the same position with my associates Robert Lovett and Albert Harris and Harold Vanderbilt and procured for the first twenty-one year term \$1,800,000 more than the

other people said they could pay when they broke up the meeting..

The lease between Rockefeller and Columbia was twenty-one years from the date it was executed. About three years elapsed before they had erected buildings enough to start to seek tenants. Then at the end of that twenty-one years they had another option to negotiate a renewal, and there was a condition - at not less than the rental in the expiring lease, so we had an escalator clause to go up but none to go down. At the end of the second twenty-one years they had another option to renewal on terms for a third twenty-one years and at the expiration of the third, a fourth and last, so it's eighty-four years all together. Then we get all the physical structures and they have to begin on a clean board without any rights for preferential negotiation. It becomes Columbia entirely as it chooses or if it chooses to rent back, or it chooses to rent to somebody else, or they could operate it themselves, but they would be very foolish to do that. That's a long way off - probably the United States Government will own it by then.

I'll speak about one or two things which interested me a good deal. One was, that during this time, while I was president of the bank, my history was divided into two

parts. The first part was pretty uneventful and, therefore, satisfactory. Before I ever became president of the First National Bank, Mr. Albert Wiggin called me one day to his office and astounded me by asking me to become president of the Chase Bank. I had no idea of accepting it, but on the other hand, I didn't want to say, no, I didn't want that job and be crude about it, so I said I'd like to think it over.

He said, "You can write your own ticket as to salary and come when you want as long as you promise to come soon, and I wish you'd let me know tomorrow morning."

I said, "All right, I will."

The next morning I went in and declined the job. This was in 1921. The Chase Bank at that time had had some unpleasant experiences with their top man and the second man and were criticized inside and outside. They wanted to have a shuffle. I didn't take it. Then some six months later I was made president of the First National Bank. The first half dozen years were, as I say, uneventful - it was just pawn broking and trying to make an honest dollar. During that time I was a director of the Federal Reserve Bank in this district and had an association with Benjamin Strong, Owen D. Young and Clarence Wooley and men of that stamp who were on that board, which was a very good education. They offered me

the job of Deputy Governor of the Federal Reserve Bank but I didn't want to get into central banking and I didn't want to leave my associates where I was, and I declined that. During the period Wilson was President and the re-financing following the end of the War, re-vamping the structure of Government Bonds, he offered me the job of Under Secretary of the Treasury but I didn't take that, for the same reason I didn't take other offers - I liked my associates and liked my work and stayed where I was.

I was also active in the Clearing House on various committees that one serves an apprenticeship on, so that when the grave difficulty came in the tempestuous later years of 1929 and 1930, I was president of the Clearing House. I knew a good deal about the grave difficulties many banks were encountering here. It is because I want to refresh my memory about the sequence of the dates, that I think it is preferable to wait until the next session.

I knew Calvin Coolidge quite well after he came to New York. In the first place, he was a classmate of Dwight Morrows and I used to hear a good deal about him through Dwight. After he came to New York after the expiration of his term in the Presidency I saw him and became acquainted with him. I discovered that his repu-

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tation for taciturnity was a myth. He was one of the freest talking men imaginable if you sat in with him as I did. If he knew you were reticent yourself and not spilling things - he'd talk about anything.

I can tell one amusing little story that anticipates, but it can go in on Coolidge. One time Hjalmar Schacht was over here, I knew him well, and invited him to lunch at the bank, at our officers' lunch room. I thought he would be interested in meeting Coolidge. I asked Coolidge to come and he did. I asked Owen D. Young and he came. Coolidge was quite talkative and interested in conditions in Germany because he knew a good deal about them from the Washington point of view. At one stage he said,

"Dr. Schacht, what effect did this inflation have on the middle class in Germany?"

Schacht, who has the most precise mind, said, "What do you mean by the middle class?"

Coolidge smiled and without a moment's hesitation said, "Oh, men like Owen Young and me." That's the way he regarded himself, as one of the middle class.

There is one story concerning the room in the White House looking out toward the Lincoln Memorial. Someone said, "Well, Mr. President, we sympathize with you and the great responsibilities resting on you and the difficulties confronting you."

He was listening with eyes half closed and looking at the Lincoln Memorial and he opened his eyes and pointed and said, "I don't suppose they are anything like as hard as they were on that man whose memorial stands over there."

Coolidge filled out Harding's term and I think Charles Gates Dawes was his Vice-President. Charley Dawes was a fellow who always thought in round amounts, with very little interest in or knowledge of the periphery or what was included in the round picture, and not much capacity to get down to details. In the first place, he was the artistic temperament - very fond of music - a good musician himself. He'd rather play the pipe organ than think about the bank. Long before that bank liquidated it was in poor shape because he was the head of it and he didn't attend to it, he didn't have the capacity to handle detailed banking. He was the kind of fellow who prided himself on being a negotiator and a salesman - he was right to be proud of that, he was a good negotiator if somebody would figure out everything that they wanted to attain, he could jolly the other fellow into meeting his terms pretty well. He was a kind of a get-together and back-slapping sort of a fellow but not a good foundation for business.

I remember one time he came into my office and had with him a fellow I suppose I had known three times as long

as he had. He was a lawyer I had known at the Bar and had tried cases against. Just as they reached my desk, Dawes took his friend by one lapel of his coat and he took me by the other and pulled us face to face, almost striking each other and said, "I want you fellows to get to know each other. I want to introduce you to this man."

The other fellow said, "Charley, I've known Jack about thirty years."

That's the way he was, he would just assume nobody knew anybody except himself. He would assume any vague thing as a basis to fly from and then go into the empyrean without any tail feathers on to know where he was going. He was a very delightful fellow, very friendly and agreeable and charming. You couldn't know a better fellow or anyone you would like better. He was in the wrong alley trying to run a bank.

I knew William G. McAdoo and Franklin K. Lane well. The latter was one of the graduates of that unimportant little school at Berkeley, the University of California, where you trained.*

William G. McAdoo was essentially a promoter and one of the best. A man with great charm, likeable, and a good money sense. I was surprised when he was named Secretary of the Treasury because I wouldn't have supposed that he would have been a first-class man but we got into

* See note page 21.

the War and he had the job of selling Government Bonds. Aside from the Bonds the United States issued as a base for the National Bank Currency and the Panama Bonds, which were put out for the purchase of the Panama Canal, there had been no Bond issues of any importance since the end of the Civil War. There was nobody around who knew how to sell Bonds in the volume required to finance the First World War. Of course, we were not accustomed to a debt of two hundred and fifty billion dollars, such as the New Deal has manufactured for us. If we had a Congress that spent one billion dollars in one year, or appropriated it, it was called the First Billion Dollar Congress. Everything was on that scale and as it turned out, it might have been difficult to get a man who would have some financial experience as he had in financing those big buildings down at Church Street and the Hudson-Manhattan tubes, and had the other qualities he possessed of salesmanship and promotion. It would be hard to figure out how we could have secured a better Secretary of the Treasury at that moment, when he had to get out and go all over the country as he did and make speeches and tell them that the United States was solvent and its Bonds were good, and we ought to buy them, and get them to buy them, and interest people all over in each community who were capable of selling bonds, to get behind them and do it.

Old Mr. George F. Baker had sold Bonds during the Civil War and he knew about Government credit and he was a very patriotic man. He was made Chairman of the Liberty Loan Committee in New York and everybody thought that would be an honorary post. But not at all. He trotted the legs off all those younger fellows, calling meetings and making them get out and dust and report how many Bonds they had sold. The first Liberty Loan issue, the First National Bank, under his leadership (because I was just the most junior Vice-President of the place) sold more Bonds and took out of the Treasury more Government Bonds than any other bank in the United States, although it wasn't any where near as large as the City Bank or the Guarantee Trust Company or Chase, but it sold vastly more Bonds than any one of them.

McAdoo had that promoter's, salesman's instinct. He would come up and get ahold of that old man and get him to working. and then go to Dallas or San Francisco and do the same thing. It would be hard for me to think of a better man for that particular job, and yet for the routine of the office, I never would have picked him for the job.

By the time the Young Plan had been completed, as modifying the old Dawes Plan, I was pretty well along in my banking work - I had been president of the First National Bank of New York for seven years and I was president of the Clearing House here in New York and had been on the Board of Directors of the Federal Reserve Bank of this District, No. 2, and Chairman of the American Bankers Association, Group 8 for New York and that sort of participation in banking affairs. I had been just a banker, I hadn't been in the public eye at all, I was an inconspicuous fellow. I was very much astonished when I received a telegram from Mr. J. P. Morgan, telling me that he wanted me to undertake the job of helping to organize the Bank for International Settlements. I acknowledged it but I didn't accept until I could consider whether I could be away and turn my duties over to my associates.

The nominal, technical protocol for the selection of the two American delegates under the Young plan was that they were to be selected by the heads of the six other Nations who were to participate in the Committee. As they had selected the heads of their Central Banks of issue, the election or selection of the American members of the Committee was nominally by them - men like Montague Norman of the Bank of England, Moreau of the Bank of France, and Schacht of the Reiche Bank, Frank of the Bank of Belgium,

and Azzolini of the Central Bank of issue in Italy. But actually, these men didn't know me well enough to pick me, although I was acquainted with most of them. Actually, the selection was made by Mr. Morgan and Owen D. Young, who had been the Young Committee delegates. Then that nomination was approved by the Central Bank Heads above named.

That procedure had become necessary because there had been a strong effort by the European Nations to link up reparations with Inter-Allied debts to the United States. Our Government was very much opposed to anything of that sort. Therefore, they thought if they participated, even to the extent of favoring the selection of the men, they would get into some kind of a cul-de-sac where they would find themselves with these payments linked up, namely, the Bank for International Settlements was envisioned as a mechanism to fund the German Reparations and collect them, and then distribute them to the creditor Nations. But the United States had gone off on a tangent and made a separate arrangement about reparations from Germany to our country, and had washed their hands of the whole problem of Reparations. So we had no sanction of governmental appointment and the Federal Reserve Bank was forbidden to participate in the matter by the Treasury of our country. Because of these facts that issue loomed as a great source of

difficulty to our Committee in avoiding anything of which our Country and our Administration disapproved. We knew it was going to be a hard nut to crack - probably the hardest nut of all, and so it proved to be when we reached it later.

On September 12, 1929, I was officially invited by the Heads of the European Central Banks, to be a member of this Committee for the Organization of the Bank of International Settlements. Mr. Melvin Traylor of Chicago, President of the First National Bank of Chicago, was the other American selected. We sailed for Europe on the Leviathan on September 25th and arrived in Paris on the 1st of October.

On the way over I received a wireless one evening, asking me to consent to act as Chairman of the Committee, based on the contention there were so many European cross-currents that they much preferred to have as Chairman a newcomer from the United States, not involved in the European envies and jealousies. The telegram said that it was particularly important because the matters coming before the Committee were of such a "tendacious" character. My telegram came from Montague Norman. I wired back that I didn't know what "tendacious" meant. I received a reply a few hours later that it was a mistake. It really meant "tendentious". I wired him that I didn't know what that

meant. He told me to look up the English dictionary, Murray's Dictionary, something like that - of course there was nothing like that on the Leviathan, a good American ship. I finally indicated that I would accept.

On arrival in Paris we were met by the French Delegation, one of whom was Mr. Moret, a man who later became head of the Bank of France, following the end of the term of Mr. Moreau. The other was Pierre Quesnay, who was manager of the Exchange of the Bank of France and teacher of Economics at the University of Paris. They made a talented pair, the most able team on the Committee, as a pair, masters of the typical French logic and dialectics and two charming gentlemen.

They joined us and we had a special car on the night train to Baden-Baden where we arrived the next day and had our first meeting on October 3rd. Just before we went into the Meeting, Stresemann, the Chancellor of the Foreign Ministry of Germany, died. After a brief tribute to him we adjourned and went up to my suite in the Hotel Stephanie for an informal meeting. The next day we met formally and I was elected Chairman by acclamation, because it had all been cut and dried before, and the meeting started.

The German members of the Committee were Dr. Hjalmar Schacht and Dr. Wilhelm Vocke. The Belgian delegates were Louis Franck, Governor of the Central Bank of Belgium, and

a distinguished and delightful gentleman named Delacroix, who had been Premier of Belgium. We were hardly under way before he died. His place was taken by Paul Van Zeeland, who has been the Premier of Belgium since and is now, at the moment, endeavoring to set up a Government for Belgium. The English delegates were Sir Charles Addis, who was a great international banker and a participant in all sorts of international financial conferences, a man of great charm and ability, and Sir Walter Layton, who was then the editor of The Economist in London and Professor at Cambridge - an able scholar but lacking the charm of Addis. The two Italians were Alberto Beneduce, who was a Professor, and curiously enough a very practical one and active in the electrical development of Italy in a business sense. The other man was Azzolini, who was the Head of the Central Bank of issue of Italy. The Japanese were Tanaka and Sonada. That constituted the Committee with Traylor and myself until the death of Delacroix, when Paul Van Zeeland succeeded him.

The proceedings opened in the usual organization procedure to separate the sheep from the goats, and set up committees. The task consisted of the preparation of three important documents.

The first was the form of the Charter of the bank which was to be requested from the Nation where the bank

should be domiciled. The second was what were known in European parlance as statutes, which were really the by-laws for the operations of the Bank. The third, and the most difficult document, was what is known as the trust agreement, by which the newly conceived bank should accept the Trusteeship in favor of the Creditor Nations to whom reparations were to be paid, and vis-a-vis, the Germans in the way of collecting the reparations. That proved to be the most difficult document to produce.

In the beginning I named a Committee with Mr. Traylor as Chairman and Layton of Great Britain and Quesnay of France and Beneduce of Italy, to work out that trust agreement if possible, while we on the full Committee were working out the other two documents in the main plenary meetings.

The meetings for the central work of setting up the by-laws proceeded pretty well, and on the whole, didn't finally involve any issue that threatened in any way to disrupt the meeting, although of course, there was the usual sequence of longwinded speeches and discussions as great expressions of pride and opinion from the various participants, and great difficulty in reconciling views over many points that seemed quite simple, except for ingrained animosities and feelings of slight, that prevailed in a group like that of many different Nations who don't speak a common language.

The Japanese were not very active participants. The best man in that pair was the Junior Sonada. Tanaka was the product of Japanese aristocracy and was not a man of any capacity. Sonada was a fellow who had come up the hard way and was extraordinarily able and made a good contribution.

The outstanding pair on the Committee consisted of Moret and Quesnay of France. Head and shoulders above any other individual, in intellectual acuteness and ingenuity, was Schacht. His second in command might just as well have stayed in Berlin - he never contributed anything and hardly ever said anything, and when he did, it wasn't worth saying.

Addis and Layton were the most congenial pair to us Americans and thought more in the lines of Anglo-Saxon hard sense and practicality than anybody else. Addis was probably the most experienced man in such meetings, not even excepting Schacht. The only difficulty with them was that the Treasury of Great Britain were determined to link reparations with inter-allied debts, of which they owed a part to America. That almost caused a break-up of the whole enterprise and nearly disrupted all our work before it was settled.

The object that I had in mind in the beginning was to get a good bank. That was especially important to the

American representation because the shares of stock of the Bank for International Settlements were divided into 56% and 44% of the total stock issue and the Seven Creditor Nations were to own 56% and the late comers, who might join the Bank following its establishment, such as Spain, Russia or anybody else, would have to buy a small share of what was left of the 44%. The object was to keep control of the Bank in the hands of the Creditor Powers. Each one of those Nations was to get 8% of the stock of the original issue, which would be held by the Central Bank of Issue of that country. Inasmuch as this Country was officially aloof from the whole enterprise, for the reason I have already stated, there was no reference to the Federal Reserve Bank's taking our 8% allocated to this Country. Therefore, from the very beginning, we had to create an institution that would, not exactly promise, but give a chance of being, a profitable investment because it would have to be taken by businessmen, not a Central bank able to throw money around quite easily, even though it be not profitable.

I very soon discovered that those Central banks over there were under the thumb of their respecting Treasuries. Addis and Layton didn't dare do a thing until Montague Norman had said that's all right and then get the Treasury and Sir Phillip Snowden to put his imprimatur on it. It

was the same in each country, in France, Belgium, and so on. Of course the Governments of those countries wanted to get that service of reparation, collection and distribution, for nothing if they could, just as the Bank of England has to issue all the currency of Great Britain for nothing.

I was aiming all the time to get a set-up that would be so business-like and earn compensation of such a scope, that if we backed the sale of the stock, as we ultimately did with J. P. Morgan and Company and the First National Bank of Chicago, we could say to people, we think the way this is set up and with the business it has to do, it can pay 6% dividends. Therefore, we were primarily interested in setting up an orthodox money-making institution. On the other hand, the European powers and the Japanese didn't think anything about that except what their Governments told them to think. That made a very great difficulty in two matters. One was collection and distribution of the reparations annuities, and the other was compensation that the bank should receive for that service, so that it could do business in a business-like way and pay its shareholders some dividends. Those turned out to be very difficult phases in the negotiations. I think, if you're agreeable, I'll omit a discussion of these points and leave it to you to derive from the letters I am handing

you now because those letters go into it week by week as those issues arose and I think this outline will enable you to find in the letters anything you want in addition, to fill in the detail of it.

One unpleasant thing for me happened. A man named Kuh of the United Press from Paris telephoned me he was coming over to Badeb-Baden to interview me. I said that would be useless because as Chairman of the Committee I thought it improper to give out interviews. He came nevertheless, and appeared at my bedroom door about two o'clock in the morning and wakened me from a sound sleep. He tried to interview me and I just wouldn't be interviewed. Then he went and published an article, which went everywhere the United Press had a service, stating I was to be President of the new Bank. Of course, that would be fatal for a moderator and presiding officer of the Organization Committee trying to reconcile rows, to have any such interest as that. Therefore I denied the possibility of my ever being the President, saying this Committee had no authority to elect a president of the Bank - that had to follow after the Bank came into existence. If the Bank, after it came into existence, should offer me the Presidency, I wouldn't take it because I was already President of a Bank and wanted to go back to the job. It was embarrassing for a few hours but it ceased to be as soon as they understood

there was nothing of that sort could happen.

On October 25th when we were just about three weeks under way, Briand's Government fell in France. If you know anything about French politics, or if you know very little about it, you know that they can get more trouble in a political upheaval than any country in the world. That was very disturbing for a few days because there had been some acrimonious discussion between Briand and Snowden at a diplomatic conference in respect to the portion of reparations to be allocated to France and the portion to be allocated to Great Britain, out of the global amount. We didn't know what effect Briand's fall might have; first, on the men who represented France - Moret and Quesnay, and second, on whether it might make some new appointments. Fortunately a new ministry was set up with a man named Tardieu at the head. While not as great a statesman as Briand, Tardieu was an adroit, able, practical man of affairs. He took up where the earlier Government left off and he became most cooperative in everything, so that cloud passed.

When October 28th and 29th came around we were almost at a deadlock on this baffling question of collection and distribution of reparations and the compensation for the bank's services. The Committee to whom I assigned the preparation of the Trust agreement had not produced a line

of the document. That, I became convinced, was due to the fact that the Treasuries of the respective Governments had this prepossession, which I pointed to a little while ago, of getting this work done practically for nothing, and an unwillingness to pay a proper compensation. The various European delegates were so under the thumbs of their Treasuries that they just couldn't sketch out anything that they were ready to submit because the two things that were the crux of our troubles were in that document - the two points I have just spoken about.

I called a meeting just before those dates, it was about Wednesday of the week, it was to be followed by Saturday and Sunday, All Saints' Day. That in Europe is pretty much the equivalent of our Memorial Day and a great many of the delegates, aside from the English and ourselves, were Catholics and they all wanted to go home to honor their War dead, as we do. I took occasion of that circumstance to say I thought we had better discharge this Committee that had been working on this Trust Agreement and adjourn our meeting until the following Tuesday, so that they could all go home and come back. In the meantime I proposed to set up a Committee of which I should be Chairman and draft a Trust Agreement and have it ready for them on the following Tuesday morning. They hadn't been able to draft one in four weeks and I said we would undertake to draft one in four

days. I said, "Don't get excited about this proposal. There is just one thing that will be in that Trust Agreement that you won't like, and that is it won't be hitched up to Reparations and International Debts but it will be hitched up to a proper compensation. The rest of it you can't have much trouble about, it's a pretty simple document to draw. It will be ready for you on Tuesday. Then, of course, it will amount to nothing unless you adopt it. You can debate it till the cows come home on those two contentious subjects, but we'll have something to shoot at."

They went and there were four of us left behind and I divided the work into quarters early in the morning, about 8 o'clock, and said, "Now each of you draft these sections allotted to you and we'll meet again at 6 o'clock and we'll work on it together until we get a homogeneous document from these contributions. Then get a French text of it, as well as English, and have it ready."

We did so. When we met on the following Tuesday, the first thing I said was, "There is nothing in this document that you can't all agree to, except these two points I mentioned last Wednesday, so let's face up to the worst of it first. Then if you don't agree on those two factors of the problem, you won't have wasted time over the other things which you can agree to very easily."

We'd hardly got started before the meeting blew up

and everybody said he wanted two days to consult his Treasury. In Paris, for instance, they called back Poincare on the question in addition to Tardieu, who was head, and Briand, who had preceded him and Moreau. Poincare had been out of office for some time. A similar course was followed in London. Snowden had a big group, and a very able fellow named Leith-Ross and other most able men - the British had a great lot of fine advisers on the sidelines from the Treasury.

They came back two days later and it was the greatest row we had the whole time. I had a paragraph about the distribution of the reparations which was just the kind of a paragraph any lawyer would put in a Trust Agreement for an equipment issue, or any other simple document, saying the Bank would collect reparations and credit the collections to the various government accounts and they would pay drafts of those governments as long as they had a deposit.

My opponents offered a modification of sixty-nine paragraphs, one for each one of the sixty-nine years that the Reparations ran. What this Bank should collect from Germany and just how much it should pay to each country and how much of that that country should pay to the United States on Inter Allied Debts.

I finally told them that if that was the kind of

Bank they wanted, they should elect another Chairman and I'd go home because we couldn't sell stock in a bank like that in America where there was great political opposition to any American participation in this affair. I had assumed when I came over that they wanted American participation but I now assumed they didn't. I suggested that they immediately face the music and say whether they wanted American participation or didn't.

Addis asked me to dinner that night. He said,

"I've known you a good many years and I suppose you mean what you say, don't you?"

I said, "Yes, I do."

He said, "I suggest you bring up tomorrow morning, the proposal to adopt your paragraph and I'll take my licking and we'll see what happens."

I knew that Addis hadn't said that without the assent of his Treasury, however unwilling, and that he hadn't said it without consultation with Moreau and Franck. Schacht didn't have anything to do with it, he had only to pay.

The next day we brought it up and we passed my draft.

Representatives of the Treasuries on the sidelines were much depleted the next day - they had disappeared from

the scene, their work was over, and had ended in failure.

On the question of compensation, I had the same difficulty of securing compensation high enough to assure profits. I had been running the First National Bank for some years and I knew something about how much telephone bills were, and telegraph, stenographers, help, and so on. I worked out quite an elaborate blueprint of personnel and about how much the Bank would have to pay to get them, knowing that they would all like the job with a first grade International Bank, but giving them good pay on my sheet, rent of a building - we wouldn't buy one, figured out about how much it would be. Then the document provided for payments for services rendered to the Governments in proportion to their shares in the business conducted in their behalf.

It was amazing what the licking on the other subject did to make reasonably easy this compensation clause. We didn't have much difficulty in getting that through our Committee.

By this time we could no longer postpone the selection of the domicile of the Bank. Apparently the only thing the Belgians wanted out of that conference was to locate the Bank in Brussels. Among the provisions of the Young plan, outlining the skeleton of our Committee and its functions, was one requiring three quarters of the delegates to vote for any proposition before its adoption. Three-

quarters of seven made it about six-sevenths by reason of the impossibility of dividing one human being into fractions, so that this practically meant unanimity. The Belgians immediately worked up a community of interest with the French and Italians to have the Bank domiciled in Brussels because they all wanted it in continental Europe and this meant in one of those three countries. France knew it couldn't get the Bank against England's opposition or that their effort to get it, would weaken their own opposition to London. The Germans, English and Japanese were a unit in wanting it in London. All the continental Europeans would vote against London as the situs. All the group made up of England, Germany and Japan would vote against Brussels as the situs. That went on week after week without end. The advantage of having the Bank in a particular place was not an absolute control but influence over its actions. For example, the great opposition to London was that the Bank of International Settlements would be dominated by the great international financial power of Threadneedle Street and would be under the domination of the Bank of England. As a matter of fact, one would think theoretically the place to put the Bank would be in a great financial center, but the international jealousies were such this action proved impossible. The natural reaction of the pro-London group was to oppose the location of the Bank of

International Settlements in any of the countries voting against London as the domicile, and therefore the group opposed France, Belgium or Italy as the domicile.

In this stalemate I suggested that as we were deadlocked, we should abandon any more finessing and put the Bank of International Settlements in Holland or Switzerland. I finally gave a dinner and after the dinner adjourned, saw each man - I just had the head delegates at my dinner and I saw each man separately afterward. I came to the conclusion that we could put it in Switzerland if each side were sure it was licked on its own choice for the situs of the Bank.

The next morning I brought it up before the members formally and stated what the position was and that I was sure we couldn't get the number of votes according to the Young plan for either London or Brussels, and it was futile to keep thrashing it over. Franck of Belgium said he didn't believe I was right about thinking we couldn't get votes enough and he wanted a poll. It so happened that we were seated around the table alphabetically - a matter that I had provided for earlier.

"Allemand" was on my left - instead of "Germany" - because I was trying to tame Schacht, so I gave him the French name instead of Deutschland or Germany - and he was seated next to me. On my right side next to me was Belgium,

next was Britain, next was France, next was Italy and next was Japan.

The fellow next Franck was Addis. Addis said,

"The Chairman has stated what I think is the present position. I think we have no chance of locating the Bank of International Settlements in London and we've come to recognize that fact, just as the Chairman says. On the other hand, we think it should not be in Brussels and we shall vote against Brussels. We shall not continue to vote for London any more."

It went around the table so that the last to speak was Allemand - Dr. Schacht. He arose asserting the fact that the animosities created in Belgium by the War were so serious and lasting that he thought the Bank could not be administered fairly in Brussels. With that, old man Franck, who had been a lawyer and fancied himself as a speaker, made a most vitriolic speech and withdrew from the meeting and took Van Zeeland with him and all the group except a nice fellow named Frere, who is now quite a man in Belgium but was then what we always called bellhops.

Franck said, "We shall submit a letter later on in the day but we shall not appear at these meetings any more."

Later on in the day he sent a letter which was the most inconsistent performance I ever saw in a mature man, evidently acting under the whip of his Government. The

letter was to the general effect they would have nothing more to do with this Committee meeting. When our deliberations were concluded, they would come back and sign the documents which, of course, would have the designation of the domicile in it. By this he took both sides of the question. He left the meeting because he wouldn't agree and then took the stand he would sign the document which was against him. He would also appear in the Hague the following January at the Plenary Conference of the Nations to sign the Treaty which incorporated these various documents. He also reserved the right, at that time, to oppose the selection of the domicile anywhere except at Brussels. In other words, he would oppose the adoption of the documents he had already signed.

Immediately after he had left, I called the French and Italian delegations to my room and said, "What do you think of this performance? Do you want to stay with that kind of movement, or are you going to fix this Bank where it will have to be? Not just be practical about it."

The first fellow to speak was Quesnay. He said, "I'm disgusted. Where do you think the Bank ought to be?"

I said, "I think we had better put it in Switzerland. Switzerland always seems to keep out of wars and the loot will be safe there."

He said, "We object to Geneva because it already has

the League of Nations headquarters and the Carnegie Building there for Peace, we don't want Geneva. We think Zurich is a poor place because it's too Germanized and too near Continental Germany. But we'll accept Basle because that's just as near France as it is Germany and it's a good railroad junction and everybody could get to it easily."

Then I asked Azzolini. He said, "If the French will agree on Basle, we will accept it."

Then I went to the others and it was just like shooting sitting birds. They all fell in line for Basle and before Franck and Van Zeeland and their associates had boarded their train, the local Baden-Baden paper announced that the Bank had been domiciled in Basle. The Belgians didn't come back until the day to sign and then all signed the documents.

A very curious trifle had quite an effect on this whole proceeding from then on. The celebration of this memorial All Saints' Day of the dead, everybody was gone from Baden-Baden except the Americans. I had met earlier the local German Bishop of the Diocese. While I had studied German at college and could read it, I couldn't speak German fluently. I took a little English script around to the Bishop and asked him to deliver it for me in German. He understood English enough and I understood German enough so

we could work out between us what should be said. In the Black Forest which comes down to the river at Baden-Baden, was a very beautiful Grecian temple and in it were brass walls with the names of all the boys from Baden Province who had died in the First World War. I didn't give any notice of this except to the Bishop but I suppose he told others because there was quite a group there on All Saints'. I laid a wreath in this temple. I said I hoped with the work we were doing we had evidenced a gradual end to the animosities of war and we must recognize these boys fought for what they believed to be the interests of their country and gave their lives for it and we, as Americans, would like to pay them a tribute, and laid the wreath. That was about all there was to it, one breath.

The little ceremony created a deep impression because it was the first occasion anything of that sort had ever been done for the Germans.

Schacht came back on the following Tuesday, which I had fixed for the resumption of our Committee's meeting, and as I told you earlier, it broke up almost immediately so that they could all consult their respective governments. Schacht invited me to go out to the Forest to one of the many restaurants there, and have lunch with him. He had a great big Rolls Royce car with the German flag on one fender and his own Reichsbank Governor's flag on the other. He was

always a talkative fellow, but he was silent as we started.

I looked around and he was sobbing and crying. I said,

"What's wrong, Schacht?"

He said, "My youngest brother's name is up in that temple where you laid your wreath. I loved him more than anybody else in the world."

From then on I could always make Schacht behave.

It's a curious thing what a little thing will do in ways you'd never think of or design. Even if you did think of it, you'd say, "Well, that's too theatrical, I won't do that to get that result." The only way it produces results is because one has no such thought in one's mind.

Schacht had always been a devil at all these International Conferences. Owen Young couldn't do anything with him. He had to get David Sarnoff, of the Radio Company, to work on Schacht, to get him to any reasonable kind of basis. My slight gesture of friendliness had completely won him over to cooperation with me.

The week following All Saints' Day and the return of these Europeans was taken up by violent discussion of the three major questions that bothered us: 1) the collection and distribution of reparations, 2) the compensation of the bank, and 3) the domicile of the bank.

We had a hectic time in the discussions of the pros and cons but finally worked through it, and in the letters

you will find the details describing the little episodes from day to day during that week.

On November 13th the Committee had all the three documents before them, and signed them. Each delegation was committed.

Then we adjourned and fixed our reconvening for a period early in January, preceding January 20, 1930, when the plenary session of the powers was to meet and adopt the various Committee reports. There were a number of different committees aside from our Committee to set up the Bank. There were puzzling questions about relations with Hungary and with Austria and various treaty controversies about reparations in kind, with which we had nothing to do. Reparations in kind were, for example, shipping German goods to France without payment; repairing docks at La Havre and Cherbourg, and things of that character.

After the adjournment of our Committee I visited Berlin for several days and saw a good deal of Parker Gilbert who was handling reparations, and Pierre Jay, who was his assistant and second in command, and Leon Frazer who had charge of the Paris office. I was entertained by Schacht at a dinner and met the Heads of Railroad Communications and Telegraphs in Germany because an American financial group were working on the idea of lending Germany money to rehabilitate those properties.

I had a few days there and then I went to Paris and visited Moreau of the Bank of France, and Moret and Quesnay and other financiers there.

Later I went over to London and visited Montague Norman of the Bank of England and others and was entertained at the Bank of England.

After these visits I sailed for home and reached New York the first part of December on the Isle de France. I stayed over the holidays with my wife and then in January sailed on the Berengaria to go to the Conference at the Hague, where I arrived on the 12th of January, 1930.

At the break up of the meeting at Baden-Baden I addressed a letter to the Heads of each of the central Banks of Europe, and to the Japanese, and sent them copies of the documents and asked them for a commitment to subscribe to the tranche of shares allocated to them. I received a commitment from everybody but Schacht. Schacht with his usual guile, sent a letter to my secretary, Tony de Sanchez, who was in Paris to take care of these letters, in which he raised three political questions, which had nothing to do with the Bank. You see, of course, he had been the first to sign our three documents on the top dotted line.

These questions he raised were not in his province but he fancied himself as a saviour of his country, I sup-

pose. Evidently he believed his action would lead to political preferment. When I arrived in the Hague his letter confronted me and I immediately called my committee together, including Schacht and read his letter to the committee. I stated that up to that time I had acted as a moderator only and had never expressed myself on contentious subjects until I came to vote. I added that now I would like to express my opinion first of all, and that opinion was that Schacht had repudiated his own signature. I reminded him and the Committee that he had cooperated and set up this whole plan, participated in the debates from beginning to end, aired his views thoroughly, and he had never brought up these subjects, quite properly, because they had nothing to do with the establishment of the Bank. I said it made no difference to us whether Belgium owned Malmedy or Germany owned Malmedy; it was utterly irrelevant and the whole thing inadmissible. Germany must take its shares or else it would have to go on with the Dawes Plan. If they liked that Plan better they could go on living under it.

Everybody around the table agreed with me, and when it came to Schacht, he abstained from voting and left the room. I then drafted a report as to the ⁱembroglio and sent it to Jaspar, who was the head of the Dutch Government and was also head of the Plenary Session. Then the fat was

in the fire immediately. Snowden, Jaspar, Tardieu, and Curtius, everybody who was interested in what to do next with me. I said I was not concerned with their ways and means, but, addressing him said,

"Herr Curtius, either you knock Schacht over the knuckles and make him take this stock or you operate under the Dawes Plan, that is all there is to that. You fix it up how you are going to do it. We won't go on with the Bank of International Settlements without you take that stock in the Bank."

Without going into detail, we worked out a plan by which Germany passed an Act, authorizing and requiring the Reichsbank to take these shares, and Schacht was left out on a limb.

In this book I hand to you are some of the translations of some of the German papers of that time; they're very interesting. They just raised the devil with Schacht; they took just about the same position I did; that it was none of his business about these political questions, all he was, was a hired man at the Reichsbank and he'd better get in out of the wet.

The result was that within a day or two the German Reichstag passed an act that Curtius, Tardieu and the rest of us drafted and compelled the Reichsbank to take the shares, and they took them.

Schacht immediately wrote a letter, like everybody else, accepting the shares and on the 20th of January I submitted all our documents.

Schacht is a curious man. Of course, from what you have read of him in the newspapers, you can imagine that there are very few fellows who can stand the gaff that man has with all these trials over there; he's been tried by everybody. He's a brilliant man.

The only other episode there was one that amused me greatly, about the compensation the bank was to receive for acting as Trustee. Sir Philip Snowden was a curious example of a man who is crippled. You know so often, with such handicaps, men have compensating urges to show they are a Jack Dempsey. I remember an interesting book which attributed a great deal of the causes of the First War to the fact that Emperor William had a withered arm. Well, Snowden was crippled, had a brilliant mind and was the litigating barrister type, and a horse trader by instinct. He wanted to show this athletic guy, Reynolds, that he, though a cripple, was the better man. He raised merry thunder about this compensation clause we'd drawn, to make it possible to make money enough to interest private investors. He just turned it down. We had a meeting in The Binnenhoff, the lower chamber of the Dutch legislature - a beautiful room, and Snowden presided. An interesting Belgian, Francqui, was

there; Moreau of France; Parelli of Italy; Cheron of France. Snowden conducted the performance and he did it with a regular prosecuting attorney's manner, directed at me because I was the one who stood up for a strong compensation clause. My associates on our Committee were too much under the influence of their Governments to be in sympathy with my position, and were ready to take anything. Francqui, Parelli, Snowden and all of them lectured me. There was a ceiling light which hurt my eyes, so I leaned back with my eyes shut during the time they lectured me. This was not intended to be offensive or disrespectful, but because the light hurt my eyes. They lectured me, I'd say for two hours. Then Snowden said, "Have you anything to say in support of this compensation?"

I said, "No, no, it's probably indefensible from your standpoint because it's entirely commercial. There is no free handout in my idea of compensation. The whole point is this, if you want somebody as trustee of all the certificates of indebtedness from Germany, to collect them, why don't you appoint the Guaranty Trust Company as trustee. They have offices over here, you all know them and they will probably do the work all right. The whole point is, if you want this bank for international settlements, and if you want American participation in the bank, you must make a compensation satisfactory to me. All you do is just hand

the question over to your Central Banks and they do just what you tell them to do. If you want American participation, that will involve the sale of 8% of the stock to private investors in the United States. The people who undertake to sell that stock are J.P.Morgan & Co., the First National Bank of Chicago and the First National Bank of New York. They'll all ask me what I think, and if you change that compensation, I'll tell them I think we should not undertake to sell it, so you had better leave it as it is."

That was a poor argument except for brutality and finality. Snowden said, "You feel very sure of yourself and the business question. Would you consent to have a Committee of two, we'll appoint one and we'll take one from your Committee, and have them study this question over night and get up a schedule of what these costs are and how much profit you have to have to accomplish the purpose you're talking about, and report to us in the morning."

I said, "I have no objection to that at all. The only point is, if they figure out anything less than the compensation I've put in there, there is no use of it. If you want to study it over night, go ahead and I'll see you tomorrow."

So they did, and the next morning they came in and the Governments had talked over the fellow from my Committee that was put on, and he recommended that we adopt it.

I said, "I've said over and over again, go ahead adopt it, but if you do, you will have no American participation. That was why I thought you had invited me over here, to get American participation. To get that participation you must derive as large compensation as I have fixed. Otherwise our American group will not go out and try to sell your stock. I believe in this Bank only if compensation is provided sufficient for it to make money and afford dividends on its stock."

The Committee said, "You're the only man on the Committee who takes such an extreme position, we depute you to go back tonight and settle it. We're ready to take what Snowden has offered."

I went back that night and had another session with the Government representatives. My final statement was:

"Another thing I didn't mention last night because I thought you really didn't want American participation, but I rather fancy now you do. I am going to be reasonable, and I suggest you adopt my provision for compensation for a reasonable period ending after this bank is set up and actually running and has a responsible Board of Directors and Management. This period might be one year, or two, or three, and then there could be a reconsideration of this question of compensation. That's as far as I'm willing to go. If you want to do that, I'll agree because I've run a

bank, and not one of you sitting up there has ever run a bank; and you'll find that it will cost just as much as I say it will cost."

They said, "Will you make it two years?"

I said, "Yes, I'd just as soon make it two years because no group with the responsibility of running a solvent, well-run institution, will change those figures when you come to reconsider it. In the meantime you must pay that much money named in the Compensation Clause."

Then I agreed to one little change in computation, which curiously enough, gave the bank 1,675,000 Reichsmarks more per year than the offer my Committee had been willing to accept. That was left in that form finally. That discussion I took more glee in, than anything else I did over there because Snowden was a very able fellow and a brutal kind of adversary in his manner. He was the kind of a man I always describe as one who swears at waiters because they can't talk back. He was the highest official in Great Britain at that time in fiscal matters, with Leith-Ross sitting at his elbow. Of course he had a great disadvantage talking to this bare-foot boy of western birth. It just delighted me to lick him and for once in my life, I had no doubt, I licked my adversary completely and I enjoyed the encounter immensely.

We had one other amusing episode. When I reached

the Hague, the Statesmen in the plenary session had been trying to dicker with Switzerland about the charter of the Bank and the Treaty between the Creditor Governments, Germany and Switzerland, about the charter.

One of our documents drawn by our Committee was the charter we wanted Switzerland to give us. A very important provision in that charter was a freeing of the operations of the bank from taxation. All its operations crossed national boundaries and would cover three or four countries before they came to rest in somebody's pocketbook. If each one took off a slice by way of tax, there would be little left when it arrived at its destination. In this charter we required Switzerland to free the bank from all taxation on its transactions; even requiring there should be no stamp tax on the certificates of stock.

When I arrived, Jaspar said to me, "We've been trying to persuade the Swiss to agree to this charter and we haven't accomplished anything, and we've decided to turn it over to you."

I called a meeting immediately and invited the Swiss. They had four fellows who looked like a Methodist choir from Peoria, Illinois - all dressed up to attend a plenary session in an impressive style. One of them was Bachman, the Head of the Swiss Central Bank, another represented the Confederation of Switzerland, another one the Canton of Basle, and the

fourth, the City of Basle. Each one of them delivered a speech he'd been working on for weeks, showing that they couldn't possibly do a thing like this. In support of their position they made all sorts of arguments at great length, very repetitious. It took about three hours for the four of them. When they were all through, I said,

"You, gentlemen, are apparently unaware that there has been a very serious war in the world, resulting in great deprivation to a great many people - great material losses. Switzerland hasn't heard about it, I guess - it hasn't had any losses. These other nations, in order to establish interchange of business and conduct of international affairs, have made a great many sacrifices, and you say you won't make these sacrifices - you want the money all the time - you want a profit from all these nations. I think that is a pretty small, untenable position to take and it strikes no responsive chord in me. You have taken three hours to tell this; I've taken about three minutes to tell you my position. I'm just going to put a question to you which you will come back and answer at 3 o'clock, and as soon as I have finished the question, the meeting is adjourned.

"As one preliminary sentence before I put the question, I shall call your attention to the fact that at the moment you have not the Bank for International Settle-

ment in Switzerland and you are not collecting any taxes from it. The question I put to you is, would you like to have the bank remain outside of Switzerland and collect no taxes from it - or - would you rather have the credit and prestige of having this great international Bank located in Switzerland and collect the same taxes that you're collecting now, that is none? Or put it another way, would you rather have it established at The Hague in Holland, in Brussels, Belgium, or somewhere else instead of Basle? Now you come back at 3 o'clock and all you need to tell me is, Go to Holland; or, yes, we'd like to have the Bank and we'll give you the charter just as you have drafted it remitting all taxation in Switzerland. That's all there is to it."

They went out, and just as they passed my chair, Bachman leaned over to me and said, "You're a terrible man."

We all went out to lunch, and I didn't even poll my Committee on this, just took it in my own hands.

We came back at 3 o'clock and I said,

"Who is your spokesman?"

And they said, "Dr. Bachman."

I said, "Do you want to grant our charter or not?"

He said, "Yes, we'll grant it."

When that was reported back, Snowden said, "We ought to sick this fellow Reynolds on the Hungarians." They'd

been trying for about eighteen months to settle something with the Hungarians.

Moreau said to me, "I'm going to give a dinner for you, day after tomorrow evening, if you're free, and then I'm going to make you President of the Bank of France."

It was funny because after all, they didn't have the bank there and they weren't collecting any taxes, and of course, they were crazy to have it.

I sailed for home on the 23rd of January on the Bremen and we made the fastest winter crossing up to that time. I arrived in New York on the 28th.

The situation about those private loans at that time from American to German interests was just the same as at the present situation about inter-Government loans to those countries under the Marshall Plan or ECA. What's really happening now is that we are going through a lot of rigmarole and giving away our pigiron and steel, and automobiles and copper, and never will be paid for it - literally, but they get all the materials.

At that time men invested their own funds or funds under their control. Many of them invested very unwisely, with the idea of making an exorbitant profit, but they were using funds in their own control as individual investing enterprises. Now, the half-wits in Washington are doing it with the tax-payer's money.

The Dawes Plan hadn't worked at all - it just bogged Germany down - Germany couldn't pay the reparations demanded. The worst feature of the Dawes Plan was something that very few people seemed to realize, and that was the Dawes Plan was open-ended, there were no terminal facilities on it, there was no global sum fixed, it was all ifs, ands, and buts from beginning to end with no time of maturity, no dimension. The worst thing about it was, nobody in Germany could tell when they would ever get through paying reparations because they weren't fixed and the rate of collection wasn't fixed. It wasn't adjusted to any timetable. That's why that argument I put to Curtius about the Reichsbank's taking the bank stock or as an alternative going back to the Dawes Plan was so effective. They all knew the Dawes Plan was just open blackmail, that they never knew when they were through paying - it was so indefinite as to amount and term.

The Young Plan at least did something. It terminated the payments in sixty-nine years. It fixed the annuities and it did scale down the annual payments. The Dawes Plan was infinity. I wasn't a participant in the Young Plan and I don't know how they arranged the scaling down process. I think the first great step in the Young Plan was to agree that the Dawes Plan couldn't be operated because it had no terminal facilities as to amount, or the period over which

the indefinite total should be paid. It seemed monumental folly to me that any such document should have been signed. The Young Plan did limit the time in years and it did limit the amount to be collected and the amounts were given the greatest study. In addition there were saving clauses in it that could meet variable situations. You will find even in some of the work in these documents, it is recognized that there would have to be some foresight about fitting the burden to the back of the ass in hard times, whether with respect to the high cost of living or low production or any other difficulty. The Germans were given the right to appeal to a certain mechanism set-up to deal with temporary suspension of the agreed upon amounts, so as to meet unforeseen difficulties. You may be sure that Schacht, sitting there in Paris, during the Young Plan hearings, every conceivable objection to pay anything was brought forward and discussed - he'd see to that.

No Government agent conferred with me before I went to Europe. Quite the contrary - they avoided the slightest responsibility for my existence. I didn't ask for any interviews. It was an entirely private enterprise. Mr. Hoover was averse. I didn't discuss it with him and I wouldn't have thought of doing so because he had his view as to the political situation of this country vis-a-vis Europe and he was responsible. I wouldn't say a word to

him AND that was behind my feeling I did not represent the Country. That made me so adamant against this sixty-five page modification of one short paragraph where the Foreign Treasury Officers influenced the other delegates, to channel every annuity to be received from Germany, into a cashier's drawer and earmark each Creditor Nation's share; then pass it on to pay part of that nation's debt to the United States.

I felt strongly that it was an unrealistic policy of the United States to tie up reparation payments with inter-allied war debt. I felt strongly they shouldn't be hooked together. That's what made me so pugnacious on the topic in that Committee. Those two or three topics were the only ones about which I rose on my hind legs. There were a vast number of other things that I had different views, legal draftsmanship, etc., but I didn't urge any of them personally except those three great big subjects.

When I returned home I made a half a dozen speeches on the Bank of International Settlements. One of these was to the Bond Club downtown, one to the Council on Foreign Affairs, one to an economic seminar up at Yale, and one to the Academy of Political Science, one to the Bar Association and some others to private groups. Some were printed and you have three of them. You have the Bond Club talk, the Bar Association address and the Academy of Political Science

speech.

As far as I know the compensation figures I gave for the International Bank have remained the same. It was set up on a very good principal and there is no reason why it shouldn't work all the time and I think it always has.

When I came back we organized a group - J.P.Morgan & Co., the First National Bank of New York, and the First National Bank of Chicago and we sold all the shares allocated to America and could have sold more. Some people felt quite hurt that they weren't on the list. It paid its dividend as we had hoped. The stock was sold overnight. All we did was to draw up a distribution of it among people that were interested in international trade, exchange, and finance. Everybody took their allotments and some we forgot, came in and complained because they were omitted. It was sold mainly to banks and of course people like Kuhn-Loeb or Morgan, who deal in international affairs took it too. National Banks couldn't buy stock but people affiliated with them bought the stock. At the same time when I was president of the First National Bank, I was also president of what was known as the First Security Company, and it bought stock we thought we were entitled to have and ought to have as one of the trio in leadership, The United States Government didn't offer any opposition to this. Their position was one really of aloofness, I should say.

The suspensions of the banks in March 1933, very erroneously designated as a "Holiday", did not come as a bolt out of the blue for there were a lot of preliminary storm clouds in the horizon and the zenith, long before that. It was a good deal like the Salinas Fault out in the Pacific coast geology; it's there and already to slip and nobody thinks anything about it until 1906 when it lays the city prostrate. That was the situation here. It is because of my feeling about that I want to sketch in the preliminary difficulties that led up to it before I discuss the event itself.

The first obvious and threatening change in the weather came in the Stock Market panic in 1929, which was four years earlier. At that time I was president of the New York Clearing House, and was for two years and re-elected. It was an excellent weather observation tower for what was going on around this neighborhood. When the storm broke I was in Baden-Baden so I knew very little about what went on in the days immediately following that event.

When I came back in January 1930, I began to get into it very actively. There was a good deal happened in 1929, at that time. Call loans on stock in October amounted to six billion dollars. From October 22nd to 29th, one week, prices fell 28%. During the ensuing months, up to the

middle of 1932, the drop was 85%. In other words, the stock selling at 100 in October 1929 was selling for fifteen dollars at the middle of 1932.

I speak of that because the effect was catastrophic in the undermining of collateral loans. If you take loans at that time made in 1929 on a 10% margin of market, and knock 85% off them, you can see what would happen to collateral loans held by banks; the repercussions on their own portfolios of bonds owned and the general asset position of the institutions. Coupled with that was a most unreasonably rigid attitude on the part of bank examiners who treated "blue-ribbon" stocks as of no value beyond what the market showed at the moment, without the slightest imagination as to their coming back to reflect a capital value based on their assets, earnings, and distribution of dividends. The only man I knew of in the public banking system who had any sense about the subject was George Harrison, the President of the Federal Reserve Bank in this District. In spite of anything anybody could do, these examiners went around the country closing up banks which couldn't show complete solvency based on the Stock Market valuations on their loans, and made a great deal of unnecessary wreckage, which did nobody any good and didn't help the supervision of banks at all; on the contrary, it did harm to the entire situation.

In 1929 bank suspensions numbered 659, and there were many individual and corporate crashes and a general anxiety to get liquid, which resulted in pressure for the withdrawal of bank deposits at the very time the assets of banks were shrinking. All of that started a series of explosions over the ensuing years.

In 1930, by reason of my various positions and having been on the Federal Reserve Board and Chairman of the Clearing House and my recent activity in Europe in setting up the Bank of International Settlements, a good many of the problems of the moment were, naturally, thrust on me - that's what I was put there for.

I had a close friendship with President Herbert Hoover and went down to the White House at times which I will indicate later. I knew Franklin D. Roosevelt well and had been offered the Under Secretaryship of the Treasury by Woodrow Wilson, and I was a member of the Federal Reserve Board here. I knew the Federal Reserve hierarchy in Washington from top to bottom, and thus was interviewed by Washington people a good deal about conditions.

In 1930 bank suspensions were more than doubled - there were 1352 banks closed with deposits of over 850 million dollars. One of the first straws was difficulty in Oregon with banks and the establishment of the mora-

torium by the Governor there during that year.

In New York many such small banks fell into difficulty. Whether they were or were not members of the Clearing House - most of them were not - they were laid on our doorstep for treatment and revival. I had innumerable meetings of the Clearing House Committee during that year and I suppose a dozen were at my house over week-ends and Sunday nights to get ready to do something to tide them over for Monday morning opening. In general, we succeeded pretty well in staving off difficulty by assisting those small banks so as not to start the row of dominoes falling. The trouble with these small banks was the general tidal wave of 1929, knocking the value in the market of securities, down 85% over the period I have described - just sweeping the value of collateral out from under collateral loans, which were supported by stock exchange collateral. These were short term loans generally on call. There were some long term commercial loans - a bank like the Manufacturers Trust Company, for instance, with fifty branches in the city in all the little localities where there were shops and stores, had lots of long term loans. A bank like the Harriman Bank had a good many long term loans and some of the larger banks had long term loans to customers - we had. But the main difficulty was, whether they were long or short, as the months rolled by they kept

maturing and nobody would renew them because they were afraid to and that precipitated a demand that the borrower couldn't meet and the lender couldn't get the cash back in his till, and the depositors heard about it and immediately wanted their money. We handled that trouble by all sorts of rescue parties - no two of them alike, fitted to cure the sore that existed and meet the particular contingency and factors in it, and keep them going. We accomplished it until late in the year.

Things became so bad that on December 2nd I went down to the White House, on Mr. Hoover's request. Mr. Hoover is a man who knows more that is so than almost any man I know; but like that type of man, he also knows quite a good many things that aren't so, and he's sure he is right as to what they are. He was very sure, talking to me, that I was unduly apprehensive about the situation in New York, which I had been sitting up nights with and working Sundays on for the year. He was particularly skeptical about there being any difficulty about the Bank of the United States.

I remember very distinctly Mr. Hoover saying, "What makes you so yellow, Jack?"

I said, "You have known me for years, you know I have always been yellow. What's that got to do with it? We're talking about facts."

He said, "Your attitude, in your position up there, is a fact all right, and you are unduly apprehensive."

I said, "I'm glad you feel that way because you are going to have something bust right in your face in a few days, and it will just smear you with garbage. And that's the Bank of the United States."

I came back to New York and went to work on that crisis with all the ingenuity of everybody I could call in in the Clearing House, and they were an ingenious group. We first tried to work out a merger between the Bank of the United States and the Manufacturers Trust Company and the Public National Bank, with the idea of putting Herbert Case in as head. At that time he was Deputy Governor of the Federal Reserve Bank, and his integrity and capacity were respected, and his leadership would mean a good deal in the way of reassurance to everybody, that things must be all right with the merger of those assets under one roof with a man like him at the head. But for certain detailed reasons which have no relevancy, they couldn't get to an accord among them and that blew up. The reasons had to do with the theory of relativity among three groups of stock owners who each wanted a larger piece in the melon than the other two were willing to accord, with the result that if you had put all their extreme views together you would have had about 150% of a melon, instead of one melon. That was the main diffi-

culty which always exists, and that negotiation was under a pressure which didn't lead to calm judgment and tolerant indulgence toward other peoples views, and it just blew up for very normal reasons.

On December 10th we had an all night session at the Federal Reserve Bank. Listening to me in these so-called interviews in which you have a very small participation, you may find it hard to believe that I had the reputation of being the most taciturn and reticent man in Wall Street about expressing my views, and I also had the reputation of always waiting till the last man, and listening to everybody else and then expressing my views. I was always very difficult to change because I had heard all that was to be said. I did the same thing that night. We had in the Federal Reserve Bank all the directors and higher officers of the Bank of the United States and a representative from Washington, the head hierarchy of the Federal Reserve System, Eugene Meyer. George Harrison, President of the Federal Reserve Bank here, presided at the meeting. The Superintendent of Banks of New York State was present because it was a State Chartered Bank, in spite of the name United States in it.

The bank was run by a man who had been an East Side tailor and most of his close, higher associates were men of perhaps pawn-broking capacity, but not banking capacity.

They had done a great many things which were questionable, and some for which they were subsequently tried in criminal procedures. Necessarily, we knew a good deal about all that. The Government Federal Reserve System and George Harrison were very glib about the solution, which was, that the Clearing House banks should take over the assets and liabilities of the Bank of the United States. There was quite a division of counsels in the discussion but I was adamant that we should do no such thing because the liabilities of that bank to its depositors were \$190,000,000, and we knew that a great many of the assets were questionable. We didn't know what part of that \$190,000,000 was recoverable, if we undertook to pay it out, and then get it back from loans and investments. Therefore, at the end, the Clearing House declined to accept that suggestion or act upon it. What we did do, turned out to be most helpful to the depositors. We organized a rescue party which was voluntary, and we posted notices in the Bank of the United States the next morning, when it busted, that we would pay every depositor 50% of his deposit upon the assignment of his claim against the bank, with the proviso, that to whatever extent realization of assets exceeded the amount of 50%, we would turn such excess over to the depositor, but we would not make any demand for any deficiency of the 50%. This limited our liability, but at the same time,

helped relieve the anxiety of the thousands of depositors. It steadied the situation and there was subsequently ultimate recovery, my recollection would be, around 75% after it was all over and the real estate loans were collected. The first loans were slow, some of them were pretty poor but by handling the realization prudently, with business-like caution, we made a pretty good clean-up for the depositors. That happened right at the end of 1930.

I never heard of Norman Thomas in connection with this affair, he is a neighbor of mine out in the country and of course I have heard of him every time he has run for the Presidency, which has been a long time. Robert Moses at the time was comparatively unheard of, I knew him personally, but he had nothing to do with this episode.

After the failure of the Bank of the United States in December 1930, there was a good deal of wreckage around hanging over from the panic of 1929 with its vast shrinkage of values in the securities owned by banks in the shape of bonds in their portfolios, or stocks held as collateral for loans.

The average stock, selling at \$100 in September 1929, fell to about \$15 by the middle of 1932, which shows the rate at which the recession was going on. In 1930 bank suspensions more than doubled, 1352 banks with 835

millions of deposits, suspended.

We weathered 1930 fairly well because the banks which failed were, in the main, relatively small and were widely scattered over the country, so the total impact was well diffused, and the results were fairly well taken care of.

We went into 1931 without very much serious alarm over conditions. Matters continued in that state for about the first quarter of the year, but in the Spring trouble started in Europe with the Credit Anstalt of Vienna, and that produced a good many unfortunate repercussions. There were the same sort of things over in Europe as we had over here. There was no grand crash that precipitated a panic, but the summer was cloudy and dubious. In September, I happened to be on a trip on the Pacific coast, and I landed in Portland, Oregon on the 19th. I went up the Columbia Highway with a friend of mine named Ainsworth, and as we reached about halfway up the highway, we were intercepted on the road by a waiter waving his white apron, asking if there was anyone in the car named Reynolds, that he was wanted on the telephone. I stepped out and went inside and it was Mr. George Baker on the other end in New York and he told me he had just been talking with J. P. Morgan over the Transatlantic Radio Telephone. Mr. Morgan had told Mr. Baker England was going off gold on

the following Monday, the 21st. The result was that all my hair stood on end. I started for New York and while I was on my way England did go off gold and that was followed by eighteen other countries and nobody who has lived in mature life only in the last twenty years can have any realization of what that meant. Over the centuries when cattle were used for money in exchange, and the Greeks equated an ox into 183 staters of gold, people have gradually built up a great confidence internationally in gold as a basis of exchange, and the amount of gold in each coinage was known and depended upon when imports and exports were unbalanced there were imports or exports of gold to stabilize it. This had worked as a basis of currency and money for international exchange for many years, a hundred years, successfully. So when England went off gold it was like the end of the world to financial thinking and it produced a tremendous repercussion all over the world, this country included.

In the next few weeks international finance was almost at a collapse. Seven hundred and twenty-five millions of gold were withdrawn from the United States and by reason of the need of getting insurance on gold shipments and the insurance companies being unwilling to take too large a policy on one ship, more gold was waiting shipment than could be handled by the ships and the insurance

companies which insured the cargoes.

In September the bank closings were 305, although England didn't actually go off gold until just ten days before the end of the month, and the amount involved was about a quarter of a billion of deposits in those failures.

In October there were 522 bank closings with nearly half a billion dollars of deposits outstanding, and bank deposits as a whole, shrank 6 billion dollars as people withdrew money and put it in their stockings and behind the clock and in the teapot, etc. The result was such that on October 4th, which was a Sunday, President Herbert Hoover invited a group to meet him at Secretary Andrew Mellon's house in Washington.

There were present there President Hoover, Mr. Mellon Secretary of the Treasury, Ogden Mills the Under-Secretary, Eugene Meyer, Governor of the Federal Reserve Bank System, and other bankers from New York and myself. The evening was a long one. President Hoover conducted the meeting, and at a certain stage of the discussion of suggestions pro and con, he took out of his pocket a memorandum which he read at length. The gist of that was if the New York Bankers would attempt to check the deluge by establishing a National Credit Finance Corporation, he would undertake to try and get from Congress a Bill establishing what later was called the Reconstruction Finance Corporation. It was

modeled, in a general way, on the War Finance Corporation of the Wilson Administration, and was subsequently set up at the end of the year.

The New York Bankers undertook the formation of the National Credit Finance Corporation with a capital stock of half a billion dollars, the purpose of which was to make loans to banks closed, to enable them to reopen, or in jeopardy of closing, to forestall closing by making loans on insufficient collateral at the then market quotations, but with good sense and judgment as to the inherent value of these securities and what they could be expected to return to on the stock exchanges if trouble were avoided. That Credit Corporation did a great deal of work and good work, stalling the oncoming difficulties.

The flight of gold continued, in spite of all these acts, until five billion dollars had fled from the country. After the knowledge of the program became disseminated, conditions improved and December was not bad. Some banks which had been highly regarded theretofore were in a difficult cash position, were in a difficult situation to make a year-end statement on December 31st which would reassure their depositors. Our bank, the First National Bank with one or two associates, made one loan to a very large bank in California and helped them negotiate a transaction for turning some of their mortgages over to an Eastern Insurance

Company and, I think, prevented them from having a good deal of trouble. As a commentary on the situation, it is well to note that we sent a capable credit man out to San Francisco to pass on collateral which was put up for that loan. We finally made a twenty million dollar loan on about seventeen million dollars worth of collateral, and that was all they had in the till that was worth putting into the loan. Whatever else they offered was so dubious it wasn't worth incorporating it as collateral.

We also made another ten million dollar loan to a large bank in Chicago which the Reconstruction Finance Corporation afterward bailed out the next year and liquidated.

At the end of the year there were about 19,000 banks in the country still open with about forty billion dollars of deposits. That period involved wholesale liquidation of American securities, particularly during the flight of gold. Every foreign investor who owned American securities sold them and took the gold home. Of course, the other sheep in this country who were native born and good citizens did the same thing, and put the gold in their socks. That had a tremendous adverse effect on the portfolios of the banks, their bonds and their loans secured by stocks.

The total capital funds of many banks in the country

of those 19,000 that kept open, were exceded by the depreciation of their securities in ownership and under loans.

We then turn into the year 1932 and in January the Reconstruction Finance Corporation was set up by Congress and it had an immediate effect on conditions. The March bank failures dropped to forty-six compared to three hundred and forty-two in January. Then the Glass-Steagal Banking Act was passed on February 27, 1932 and helped in making a base broadened for the issue of federal reserve money which had been confined theretofore to commercial paper only - short dated, 30, 60, 90, 120 days, and the volume of such eligible paper had so shrunk in commercial adversities it was no longer any base broad enough to sustain the necessary issue of currency. The Glass-Steagal Act broadened the base of the issue of currency to other loans from the banks, so as to get more currency in circulation and relieve the vacuum created by hoarding when the English went off gold and the gold was shipped abroad.

The first four months of 1932 conditions eased somewhat, probably as the result of what transpired as to the action in October and the setting up of the National Credit Corporation and the publication of the fact that they were planning to establish the Reconstruction Finance Corporation. In the First World War they had had the War Finance Corpora-

tion, so they knew how to set up such an organization and give it another name because there was no war on, and they called it the Reconstruction.

By the middle of May we had reached almost the nadir of the depression. Conditions were terrible and continued so for six weeks. There was a great deal of uneasiness and apprehension about what was going to happen. There was a terrible shrinkage of security values.

Mr. Hoover and the Federal Reserve authorities in Washington asked us up here in New York to set up a further localized agency of relief because New York had to bear the brunt in the country; vast deposits lie in New York from banks all over the country, and the latter would draw on the banks here for New York exchange. Great industrial companies all over the country required financing and kept deposits here so as to be in a position to ask for accommodation. All the railroads in the country and all that sort of channel of give and take in money was focussed in New York, and so any serious shock here would be very difficult to abort in the rest of the country.

A banking and industrial committee of the Second Federal Reserve District was made up of twelve men - six bankers and six industrialists. I always used to call them the twelve apostles in order to make them feel humble. They were a fine lot of men. Among the industrialists were such

men as Owen Young, Walter Teagle, Clarence Woolley, Alfred Sloan, Walter Gifford and men of that caliber.

We worked very hard as soon as we were selected, to salvage everything we could at the various breaks in the levee which had appeared, and some of them were very severe and very difficult to cure. In order to handle the matter we broke up into a half a dozen committees with different functions for each committee and two or three men on the committee to handle it primarily, and if they wanted advice to come to the full group. In the main, they solved it themselves.

One bad situation was mortgages, because real estate values had shrunk in sympathy with the shrinkage of security values and the equity in mortgages had disappeared. There was a great disposition to foreclose the moment there were the slightest danger. It was a difficult situation. That was ably handled by one of the sub-committees.

Credit conditions generally were difficult and it was hard for a borrower to get new loans when lenders were trying to collect old loans unsuccessfully. A small committee was set up to channel all such applications to people who were interested in that line of activity and industry, whatever it was with the banks, and see that they secured accommodation. A great job was done by that Committee.

The commodity markets that involved futures, particularly, and also carrying loans for purchases of commodities, had also sunk into the doldrums in sympathy with the security markets, so a Committee was set up to deal with that factor. They formed a corporation, called Commodities Finance Corporation and they did a wonderful job, and, I think, preserved the life of the cotton producers, and spinners.

Just as mortgage situations were difficult, so construction was stagnated because builders couldn't get a construction loan, pending permanent financing by mortgage. Another Committee was set up to ease that situation and grease the wheels so that jam would be broken up and loans could be made, and they were successful.

The particular branch of the work with which I had to deal was to try to stem the decline in the price of bonds, which had ensued in those months. The group finally dealt with the situation by forming a corporation called the American Securities Investing Corporation on June 6, 1932, a date just in the trough of the sea.

When England went off gold, the New York Times average price of bonds, listed on the stock market here in New York, the index used to indicate fluctuations, was 83.3. At the time we took hold of this situation, that index was down to 52.0. You can imagine the effect

that decline had on all banks whose portfolios contained large amounts of bonds which had had that shrinkage.

The Corporation we organized, with ourselves as the only stockholders, started to buck the tide in the bond price shrinkage. We also sold debentures in our Corporation to all the banks who would take them and help out. We were all convinced we could do the trick and the mere purchase of bonds on the market, where bonds were offered and no buyers came forward, would turn the tide. We sold those debentures to the amount of \$116,000,000 and employed the proceeds to buy bonds on the market - all sorts of bonds - so as to go all through the market and have an effect on each issue. On the day we announced we had our charter and were ready for business - as I say, bond averages were down to 52.0 - that day they rose to 58.60, as a result of the announcement of the formation of the rescue party.

When the bonds again reached 80, we began to let them go into the market. I should think this was perhaps two or three months later. We finally liquidated that Company and after we had paid the United States Government taxes on our operations, and stamp taxes to New York, at whose behest we had incurred this risk and run this enterprise, we had nothing left.

Right after the election of Roosevelt, which would make it about November 10 or 12, 1932, there were what were

referred to as great Bear Raids on the market, but this was nothing to do with us, we never broke the market at all. We never broke the market a quarter of a point on anything.

We sold those bonds very slowly, and curiously enough, we hadn't a great accumulation - I think we had less than \$50,000,000 in bonds. We didn't spend all the \$116,000,000 we collected from our debentures. We had it there to spend and feel safe about but we didn't expend it. Of course, it doesn't take very long to sell \$50,000,000 worth of bonds - J.P.Morgan sold \$150,000,000 in half an hour yesterday. We, of course, were experienced in the bond market and if we couldn't sell a bond at the market, we didn't sell it - we just eased out and cleaned up later, I'm sure well before then, that was June, July and August - probably by September we were out of everything.

Our Corporation made nothing. We made only enough to take care of our expenses, which were only for office help, accountants and bookkeeping. None of us received any compensation for our services and received no dividends on our stock. The debentures were repaid with some modest interest but nobody bought a debenture to make money out of it, we all bought it as part of the rescue party. Of course, in that margin of 30 points on, say, \$50,000,000, you have quite a gross margin. If you bought an average

of 50, which we didn't, because the market went up to 58 that day, and we kept right on buying to keep it going, so we paid all sorts of prices on the way up, and we didn't sell at the average 80, we sold the best bonds maybe at 82, and something else at 75, speaking of percent of 80. Of course, you can't work those things on a blueprint, you know, when you are down on the Stock Exchange.

Nobody, except perhaps shysters, took any advantage of our being in there to hold the bag, so to speak. But we had one great disadvantage, they never knew when we were selling, and nobody knew we had sold until we had liquidated and paid our taxes. We had very high taxes to pay because we didn't hold any bonds for the period required to make capital gains as distinguished from an income gain, or anything like that. We were just operating to save the day. So we had nothing left.

After that operation of the purchase of bonds which just precedes this, the ordinary elections came along in 1932 and Mr. Franklin D. Roosevelt was nominated. On October 14th, between the date of his nomination and his election, he asked me up on the week-end of October 14th, to stay with him at Hyde Park. I had an interesting visit with the family, his mother, his wife and the daughter who was divorced day before yesterday, making ten divorces for the five children in the family.

I was interested by the use of one word and the avoidance of the use of the other between Eleanor and Franklin in speaking about the coming election. She never said to him, "If you are elected" but it was always, "When you are elected." There was no doubt he would be elected, in their minds, it was perfectly certain.

I told of one amusing little incident in which he expounded at great length, his theory of what he was going to do for the relief of the railroad situation when he became President. He pointed down below the edge of the bluff where his Mother's house stood and he said, "Father and I have owned securities of the New York Central for years (Franklin never owned any but James, his father, owned them and left them in trust so that Franklin couldn't get his hands on them) and when I'm President I'm going to abandon that road across the river, which is the West Shore Railroad, and save the railroads from maintaining uneconomic mileages. It is a perfect waste of money to try to do so and I'm going to take care of it immediately."

I said nothing and he turned to me after a while and he said, "You don't say anything about that, don't you agree?"

I said, "Certainly not. Years ago Seward Webb built seventeen miles of track to connect his camp on Racket Lake with the New York Central Adirondack Line. Mainly so he could move his private car out to his camp. After he died,

we've been trying for years to abandon that road because it is useless since the automobiles and trucks have come in, and we don't get enough gross revenue to pay for the oil on the engine. Yet you have been Governor for some years and your Utility Commission would never consent to abandon seventeen miles of perfectly useless railroad that serves nobody. How do you expect to have such a reformation when you are President as to abandon a Line - 500 miles from New York City to Buffalo, with four tracks much of the way, serving populous communities, serving also sixty communities that have no other railroad facilities, and leave them all high and dry, and waste all that investment? You're not going to do any such thing because you can't. The moment you try to do it you'll get such an outburst of objections you wouldn't carry it through, and it's nonsense."

The only thing which came up, was when I said good bye to him, I added: "I'm the most unusual visitor you've had up to this time, and you won't have another one like me as long as you're President because I'm the one man you can't give any office to, no matter what it is."

At that time there had been some discussion in the Press that he'd make me Secretary of the Treasury because I'd been a life-long Democrat and always supported the Party.

He said, "You are a strange bird, I guess you are the only one that can take that position."

He was then elected and we went over to 1933 and the first important event then was the terrific crisis in Detroit - in February 1933 before he was inaugurated. The difficulty in rescuing that situation really came about through a bitter personal fight between Senator Couzens, the Senator from Michigan, and Henry Ford, the owner of the Ford enterprises. Couzens had originally been a partner of Fords and had sold out to him, and then when he saw Ford go on and make so much money he suspected he'd been cheated. He was an irascible, vindictive fellow - I knew him - and he made up his mind he'd get even with Ford. He knew that Ford had large deposits in the Guardian Bank in Detroit and was also a large stockholder and, furthermore, had put up several million dollars of his own money, to buttress the bank against a bitter onslaught of depositors who had withdrawn their deposits. By the time the bank trouble came to an issue in February, Couzens intervened in Washington to insist that bank examiners should rate all securities held by banks at the market, regardless of their intrinsic value. The bonds of the obligor company might not be greater than the cash in its till but, nevertheless, if the bonds were selling at a low price, that was the price the bank examiner must put them in at. Anybody with any

financial judgment would know that was just giving every additional push on the down grade. Couzens insisted on that and then he insisted that if the Reconstruction Finance Corporation made any advances to that bank, they must make their loan on that basis. Of course the Reconstruction Finance Corporation was designed to make loans that weren't safe at the moment, but that they had every notion would be safe at the time they had to be paid. The result was this bank requested a loan for \$50,000,000 from the Reconstruction Finance Corporation. On the basis of Couzens's insistment, they didn't have collateral for that much of a loan although they needed that much money to satisfy impatient depositors. Couzens took the point that Ford must put up all the difference, which amounted to about \$16,000,000 in addition to all he had in there already.

The result was that with these two men, neither one would withdraw from his position and the bank closed. Then, of course, the other big bank, the First of old Detroit, had to go on crutches. The first Bank Holiday of any great importance, was declared by the Governor of Michigan on February 17th of that year, well before the big bank holiday.

This brings us into 1933 in the Roosevelt days. I've known Roosevelt since his Law School days, as Governor,

and onward. Roosevelt had a complete trust in me at that time. I also was a close associate on Boards with William O. Woodin who was made Secretary of the Treasury. He'd been a depositor in the First National Bank and we had had a great deal to do with financing his companies - the American Car & Foundry and the American Locomotive Company - and I knew him very well.

On the 2nd of March, on a Thursday, Woodin asked me to meet him at the Federal Reserve Bank in New York. When I arrived he had with him Adolph Berle. The last named had a wonderful idea and he said he had a plane at the Newark Airport ready to take it back to Washington and put it in force immediately.

His plan was that the United States Government should guarantee the deposits of all the banks of the country. The Government had absolutely no authority to do any such thing, but that was a mere bag of shells, he could remedy that instantly. We had to discuss it on its merits, and I said that I thought it the most foolish notion I had ever heard about to pledge the credit of the whole United States to buttress the banks that could be carried along by the Reconstruction Finance Corporation and our National Credit Corporation and our own Clearing House groups. I asserted it was a usurpation of power and there was no emergency to justify any such Constitutional

invasion. I thought it ought not to be done. It was never heard of again, I don't know why because they brought up one scheme more foolish than that later on.

The first week of Roosevelt's Administration, Mr. Woodin asked me to come down and stay at his hotel with him and hold his hand. Mr. Woodin was an able industrialist but had no banking experience of moment except as a Director of the Federal Reserve Bank in this District. As for commercial bank operations, he knew nothing and knew he knew nothing and he asked me as a friend to come down and stay with him, which I did.

Mr. Woodin, first of all, was a very insignificant looking man with a bird-like little face, and no chin - very misleading because he had capacities way beyond any such facial index as that. He was an able man but he didn't look it. He did look like what he was at heart, and that was a musician. He had the soft, dreamy look of the imaginative composer, and he did compose music and he was a good pianist and most of his closest friends were musicians, like Gershwin, Berlin and men of that sort. He was small in stature, slender, thin and didn't look like any force at all, but that was misleading because he had a lot of force and he had a lot of capacity but he didn't have any technically based knowledge of banking service and duties, obligations and technique of the financial

system. He knew he didn't, he didn't pretend to have, but he was a good man, had lots of friends and influence, and was a good selection for the job and he did a good job while he lived.

One of the first things which came up while I was with Mr. Woodin was, on March 6th. At breakfast he said,

"The boss has a great scheme. I was with him last evening and he has an idea that all we need is a bold gesture of confidence and a demonstration that we don't fear anything. Therefore he is going to propose the United States instantler redeem all of its outstanding Bonds in paper money, no matter what the maturity of the Bond may be. If it has 50 years to run, just buy it in with nice new printed money immediately." He afterwards called in Ogden Mills and Arthur Ballantine, who had been with the Treasury Department, in the previous Administration and stayed over to help Will Woodin, as everyone wanted to help. I immediately took most positive objection to the President's proposal because it was the most wholesale inflation in the history of the world, to put out that amount of paper money in one day with nothing behind it, except the promise of the Government which couldn't be fulfilled. The result was, that before going back to see the President, Woodin called in Ogden Mills and Arthur Ballantine, and he stated the President's proposal and

then said,

"I've talked this over fully with Jack (Jackson Reynolds) but I thought you've been so kind as to hold over here to help me and I'd also talk to you about it."

Ogden Mills turned around and looked at me and said,

"If Jack approves of that scheme, I'm a fit candidate for Bedlam."

Will said, "I didn't say that Jack approved it."

Ogden turned to me and said, "Do you?"

I said, "No, for heaven's sake no. I told Will I thought it was the worst thing I ever heard of in the history of finance in the world."

Then the telephone rang and the President wanted Woodin to come up to the White House to talk further about this matter, and Ogden said,

"Will, take Jack up with you. He'll give a slam bang discussion and perhaps the President will respect his own teacher and listen." Because Woodin had said the President wouldn't listen to his objections.

I said, "No, you can't take me up there. Just think of it, you've all read the newspaper prophecies that I was going to be Secretary of the Treasury, and the President in his very wise judgment, didn't appoint me, he did just right, and now he has appointed Will. The first time there is a difference of opinion between them, Will comes up and leads

by the hand the fellow whom the President didn't appoint and tells him to listen to him. That would be fatal, he'd just have no use for that."

Then Will said, "Give me some pithy, concrete arguments that I can use with the boss."

I said, "I've given you all my arguments - that it's utterly unwarranted to use inflation and frighten the whole world to death. It would do more harm than good. You might say to the President, 'No gentleman makes a bet he can't pay.' Secondly, tell him the story about the two old philosophers, who argued for hours about which had the right philosophy and neither had convinced the other. Finally the Epicurean said, 'You've heard of lots of Stoics who have been converted and become Epicureans, haven't you?' The Stoic said, 'Yes.' The Epicurean then said: 'You never heard of an Epicurean who was converted to become a Stoic, did you?' 'No.' 'Well, then, what have you got to say?' the Stoic replied: 'I've heard of lots of roosters who became capons, but I never heard of a capon who became a rooster.' If the President does this job, he'll be a capon all right and he'll never get back to be a rooster."

I had nothing to do with the formulation of the plan for reopening the banks, that was done by Ogden Mills and Arthur Ballantine really, although Will, of course, reaped all the credit for it, and properly, because if it hadn't

worked he would have had to bear all the blame. As a matter of fact, those fellows Mills and Ballantine drafted the plan and the plan was adopted by the President. This ended all talk about guaranteeing bank deposits and redeeming all the Government Bonds. The reopening of the banks was set to begin on March 13th, which was a Monday, and on the Sunday night before, Roosevelt made his wonderful fireside talk. That speech was one of the best things he ever did, and I think it was so good because no New Dealer had anything to do in writing the speech - it was written by Ogden Mills and Arthur Ballantine to support their program, of course, and didn't have any foolishness in it. It was right down to bedrock and just inspired confidence and faith. That plan, as everybody knows, was that on the 13th, on Monday, the banks of the central federal reserve cities would be open. That meant just a few banks in New York and Chicago. On the 14th they would open all the banks in the cities that had established Clearing Houses - that involved about 250 banks. On the 15th they would gradually begin to open all the other banks. In that part of it was a very adroit, well-worded assurance that the last group of banks would be opened gradually as they were thoroughly examined and approved. They wouldn't be opened unless they could stay open and therefore everybody could have the most complete confidence in all the banks that

did open. Almost all the rest of them were opened and by that time the bank examiners had learned a little more sense about appraising assets in the form of securities and the banks opened. The resumption of banking was followed by the activities of the Reconstruction Finance Corporation in buying Preferred Stocks in banks needing more capital, or else buying debentures of banks which didn't want to issue more stock but adopted that way of securing funds to assure depositors.

Later the Federal Deposit Insurance Plan was set up, insuring all the depositors of \$5000 and under, with a very well devised scheme for assessments on all the banks and on their assets at so much per thousand. Now the Federal Deposit Insurance Corporation has cleaned up all the banks which needed cleaning up; has repaid all its borrowed capital; has set up large reserves for the future; and has proposed the assessments on the banks be reduced.

The Federal Deposit Insurance scheme didn't go into effect until two or three months after the banks were opened but it was all set on the skids and its mechanism known, and the mere fact it was going to be organized, built up confidence in the little people all over the country. These are the people who cause a stampede usually, and it was a great bulwark for them.

Later in the Spring I wrote Will Woodin a letter,

saying I was interested in fighting the inflationary tendencies going on, and he musn't assume my fighting it was critical of him or the President. On the contrary, he and the President ought to welcome our activities and any sensible man should help the cause. I advised him of a plan to publish a series of articles against adopting inflation as a panacea for financial troubles. Ogden Mills, William Woodward and I assumed financing of the movement. The only expenditures were for retaining and paying a small group of eminent economists to write the articles. In order to give backing, we interested what we called sponsors. These sponsors were men from each Federal Reserve District through the country. They were about evenly divided between Republicans and Democrats so as to make it entirely non-partisan and in no way antagonistic to the Democratic Administration. The sponsors were Wallace Alexander, Sewell Avery, Leonard Ayres, Newton D. Baker, James Bell, Will D. Clayton, David F. Houston, and Frank C. Rand.

Will Woodin approved our program and said he thought it was a good idea. We did it and it aroused the greatest interest and we never had any expense for printing - the newspapers just grabbed the copy and displayed it on their financial pages. It was written in fifteen short newspaper essays. Each one could be read by an attentive, intelligent reader in five or six minutes. They were timed so that one

could be read and digested, and the reader would be looking for the next one because it would say that the next issue would be out on such and such a subsequent date. When they were all printed in the newspapers and had circulation all over the country, we put them in the form of a pamphlet and asked the banks all over the country to have them printed locally, and sent out as part of their bank literature. That was done by thousands of banks over the country, so that our printing never cost us a cent. All it cost us was to give these economists a good fee to write the stuff. They were all edited by Edward H. Collins who was the financial editor of the Herald Tribune at that time, and is now on the Times as financial editor. He has a gift of clarity in writing on economic or financial subjects, without all the jargon all the experts employ and the ordinary reader doesn't understand.

Before the end of the year we had one more financial hurdle which gave us quite a lot of trouble because it was difficult in itself, and even more because of the politics involved. These were acute by reason of the fact that the problems arose at the time of the local election for Mayor, when Mayor O'Brien was running for re-election and Fiorello La Guardia was running against him. The outgoing Administration were afraid they would be accused if they agreed with the bankers on the solution of the City's difficulties

in financing. La Guardia was in the same spot and didn't want to assent to anything. He was like Roosevelt after his election and before the Bank Holiday. In September we had a committee of bankers set up, of whom I was one, to go over the City's finances. At that time its Bonds were selling at ruinous discounts and they couldn't borrow money on even short-time stuff less than about 6% - it was a disgraceful condition. Our Committee employed a firm of accountants to go over all of the accounts, assets and liabilities, and income and outgo of the City, and set up a rigid, comprehensive plan of operation just as one would for a business corporation to be followed in the future by the Municipal Corporation.

Our Committee met three times a week for nearly a month. We finally whipped this plan into shape and submitted it to the City at the beginning of October. They finally sent us an invitation to meet them, and the invitation was signed by Governor Lehman to meet at his house. We met there, I think about the 10th of October. We sat all day and spent the forenoon - Lehman was just a moderator and didn't participate in the discussion - listening to Mayor O'Brien's naive contributions and Samuel Untermyer's arguments that were those of a lawyer trying to win a case and show off, and very sound matters put forth by George McAneny to consider pros and cons to see whether

the screws couldn't be loosened a little here and there. But the end of it was, the suggestions were none of them worth incorporating in a revised agreement. Just before lunch I suggested we lunch separately so they could talk among themselves and come back at 3 o'clock, and as far as we were concerned, we had done the best we could for a good workable plan, and they were really in a position where they must accept it or get somebody else to handle it.

We came back at 3 o'clock and Untermeyer started to argue the thing again and I said, no, we were in earnest about the suggestion that we wouldn't handle this on any other basis; there were other bankers in New York they could retain if they didn't think we had done what was proper, but we'll handle it on this basis for three years and finance the City and meet its needs, if they would follow this program.

Then for the first time, Governor Lehman chipped in and said, "I think we had better agree on that." And we did and that plan was adopted and was carried out for the three years and completely rehabilitated the credit of New York City until it is on the basis you can see by looking at the evening paper of about $2\frac{1}{2}\%$ interest or discount.

We then had a meeting with Mr. La Guardia across the street at the Waldorf private diningroom. He wasn't

yet elected on October 10th but he thought he would be, and so did I although I was a Democrat. We spent the evening with him outlining the whole plan and putting it up to him and said, "The chances are, you are going to be the man to carry this out. You can't sign the contract but we want to know whether you're going to adopt it, and we submit it to you for that reason. We don't want to have this program adopted for a month, but we want it for three years."

He took it under advisement and subsequently told us he thought it was a very good plan and he would carry it out if he were elected Mayor.

Ogden Mills was a close associate of mine on Boards of which we were both members in corporate affairs. I had known his father and lived within a few miles of where he did in Millbrae, down on the peninsula south of San Francisco. Curiously enough I was always fond of Ogden Mills and I always thought he was of me, although he always had the reputation at college of being a fellow nobody could get close to - he was a standoffish fellow. He was a man of about 5 ft. 9½ or 10 inches, very broad shouldered and deep chested, florid and quick in his mind, and an unusual corollary to it - a very hard worker on anything he had to deal with. He could see anything

in half the time I could. I was always a hard, long worker because, what I please to call my mind, was a kind of a slow going truck moving along the curb. He would work as long as I would to get to the bottom of the situation that he had to pass on. He was one of the finest Trustees or Directors I was ever associated with. He was a sarcastic fellow and most of it had to do with a smart Aleck instinct, just to show the other fellow that he had a quicker, more incisive mind. It wasn't venomous, malicious - it was thoroughly mischievous and sometimes cut a person very much - like his remark when he turned to me, "Well if Jack approves of that then I'm a fit candidate for Bedlam" - much as to say I was a fool to back that, which I would have been. He had that kind of a mind, always stated everything in extremes and in a cutting manner. In spite of all that, I was very fond of him, liked him very much.

I think the basis of his fine relationship with Herbert Hoover was sheer recognition on both sides of very sound ability in the other man. Ogden Mills was a fellow you could take the opposite side with. I had a strong difference of opinion with him in a Board once, in which I thought the plan he had was ruinous and he thought it was farsighted statesmanship. We had a fierce argument before the whole Board about it. Yet

that never affected his regard for me at all. I think he liked it - that if I wasn't like-minded I said so. I don't think there was so much like-mindedness between him and Hoover because Hoover and Mills were not very much alike in their mental processes. In their economic and political theories, fundamentally, they were very much alike. They both had a great sense of reality about what had to be done to make the machine tick, and they were both great fellows to use other people. I don't mean anything invidious, I mean to use other people to the best of their capabilities. Hoover more than Mills was a great fellow to use everybody and not give any credit to the contributor. I don't mean that critically, it's just the way he's built. I don't believe Hoover ever thanked anybody for anything he did for him - he's that kind of a fellow. He just thought the other fellow was contributing because he wanted to contribute an idea, they didn't particularly want a patent on it or want any credit for it, but he was going to promulgate it and so he'd put Hoover's name on it. I don't mean anything in the sense of plagiarism, stealing the other fellow's stuff or anything like that.

Jackson E. Reynolds

The Reminiscences of Jackson E. Reynolds

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